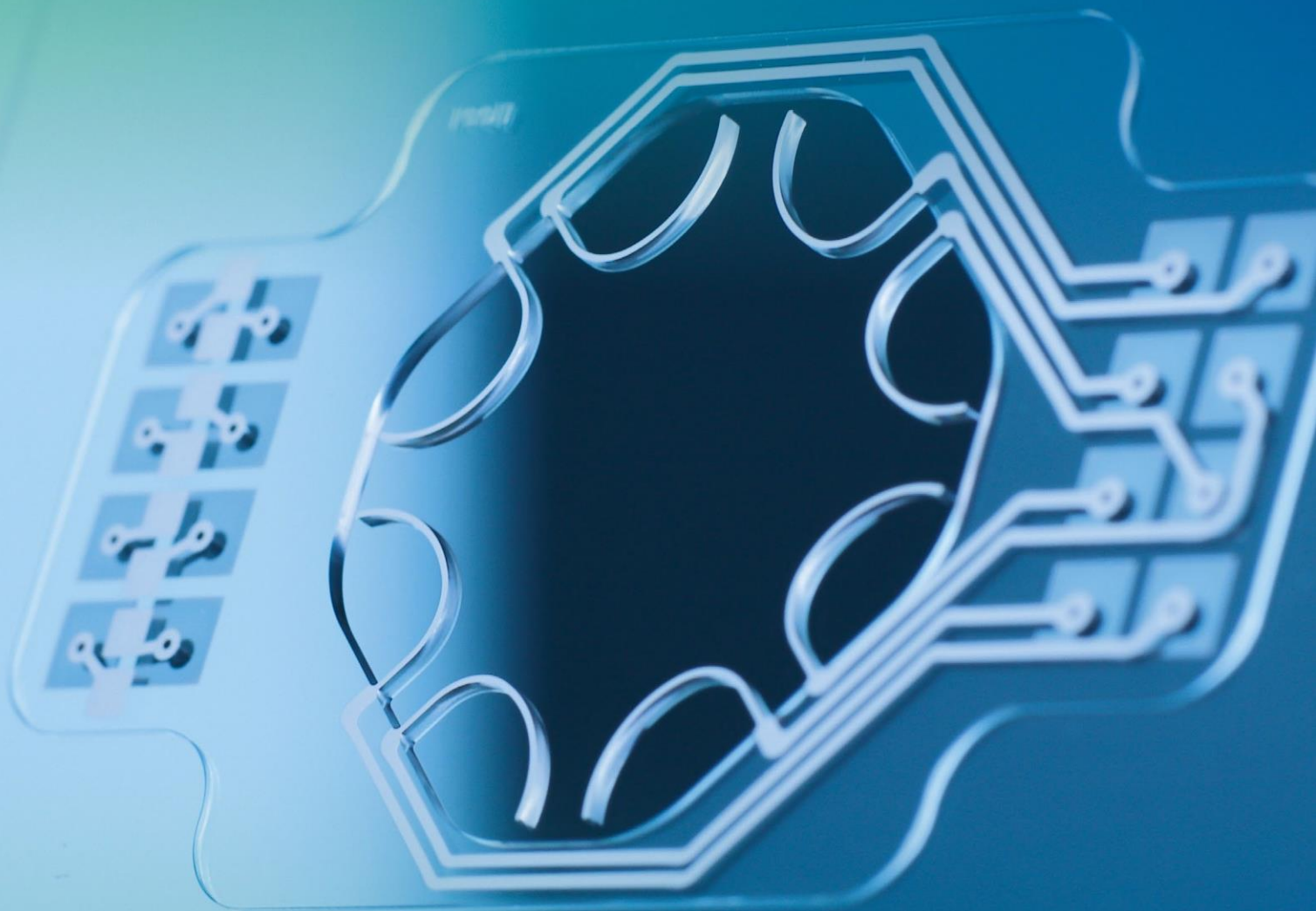


# SMART SUSTAINABLE SOLUTIONS



SEPARATE NON-FINANCIAL  
GROUP REPORT 2024

**LPKF**

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## INTRODUCTION

This separate non-financial consolidated report in accordance with Sections 315b and 315c in conjunction with Sections 289c to 289e of the German Commercial Code (HGB) and also in accordance with Article 8 of the EU Taxonomy Regulation has been prepared on the basis of the European Sustainability Reporting Standards (ESRS). Following the entry into force of the Corporate Sustainability Reporting Directive (CSRD) at EU level, LPKF Laser & Electronics SE prepared to apply the directive for the first time in the 2024 reporting year. When the CSRD Implementation Act in Germany was not adopted in time, LPKF decided nevertheless to use the ESRS standards as a framework and to draw up its report on the basis of these standards. This decision was taken against the background that the implementation in line with the ESRS was already well advanced at that time. As a result, both the contents and the structure of the report are different from those used in the previous year's reports. Data points that are not fully reported but only in line with ESRS standards are marked with an \* in the index in the appendix.

In the following chapters of the non-financial consolidated report, the material non-financial aspects required by the Corporate Social Responsibility Implementation Act (CSR-RUG) (environmental matters, employee matters, social matters, respect for human rights, and combating corruption and bribery) are described within the framework of the chapters concerning the material topic-specific standards (E1, S1, G1, and the company-specific standard "Innovation & Development"). In accordance with CSR-RUG, the management policies, strategies and actions, objectives, and metrics (key performance indicators) are described in each of the chapters.

The report refers not to "aspects", but to "topics".

Where the report refers to the "sustainability report", this means the "separate non-financial consolidated report".

The information in this report refers, in part, to the 2024 Annual Report of the LPKF Group. Unless otherwise stated, the information relates to LPKF Laser & Electronics SE and all its subsidiaries.

The consolidated financial statements and the combined management report are audited annually by an independent auditor. The separate non-financial consolidated report was subjected to a voluntary audit with limited assurance by Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, which applied the auditing standards relevant for sustainability reporting (ISAE 3000 Revised).

All links in this report are for further information only and are not part of the separate non-financial consolidated report.

# 1 GENERAL DISCLOSURES

This chapter has been created in accordance with the ESRS2 standard.

## 1.1 BASIC REQUIREMENTS FOR CREATION

This section provides basic guidance on the preparation of this sustainability report.

General principles for the preparation of the sustainability statement  
*Disclosure Requirement BP-1*

The Sustainability Report of LPKF Laser & Electronics SE for the year 2024 contains information from LPKF SE and its subsidiaries, which together form the group of consolidated companies (as indicated in section B of the consolidated financial statements). The data collection for locations with fewer than 15 employees is partly based on estimated values.

No information relating to intellectual property, know-how or the results of innovations has been omitted.

### Value Chain of LPKF SE

The sustainability report covers the entire value chain of LPKF SE. The impacts, risks and opportunities in the upstream and downstream value chain were taken into account.

	Own			
Upstream	Operations	Processing	Product Use	End of Life Cycle
Quarrying and processing of granite	Pre- and final assembly of the systems	Chemical processing	Machine utilization in production	Taking back replacement parts
Production of sheets, profiles and semi-finished products	Processing of provided parts	Assembly to production lines	Machine utilization in R&D	Scrapping the machine (locally)
Procurement of turned and milled parts	Machining activities	Inserting glass into chips	Processing of electronic components	Upgrades for further use in new projects
Production of electrical, electromechanical and electronic components	3D printing of parts	Use of the processed parts	Live cell analysis, evaluation of microscopy examinations	Electronic waste
Energy production	Chemical processing			Disposal of sample carriers (ARRALYZE)
	Delivery to the customer			
	Provision of services			

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Production of  
raw materials  
and building  
materials

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Information in connection with specific circumstances

*Disclosure Requirement BP-2*

#### **Data and estimation uncertainties regarding the value chain**

In the collection of CO<sub>2</sub> data in chapter "2. Environmental information - Climate change," estimates were also used in some cases. Detailed information on the determination of these estimated values can be found under the respective data tables.

#### **Changes in the preparation or presentation of sustainability information**

Until the 2023 financial year, LPKF SE's Sustainability Reporting was in the form of a separate non-financial consolidated report based on GRI. Based on the requirements of the CSRD, Sustainability Reporting has been aligned with the ESRS standards starting from the reporting year 2024. This results in changes to both the structure and the recording and presentation of the Metrics. Comparability with the previous year's report is therefore limited. Significant changes arise from the newly created materiality analysis based on ESRS 1. Only topics that have been identified as essential are reported on. All reported metrics result from the topics identified as essential. Consequently, individual metrics from previous years were omitted.

New overarching objectives have been defined as part of a newly established sustainability strategy. These can be found under "1.3 Policy" of this sustainability report.

#### **Recording information by means of a reference**

Some of the disclosure requirements of the ESRS are identical to the information already provided as part of the group management report of LPKF SE. This information is therefore not part of the sustainability report, but is included in other relevant sections of the annual report. An overview of the references can be found in the index table in the annex of this sustainability report.

## 1.2 GOVERNANCE

This section describes the governance processes, controls and procedures that have been established to monitor and manage sustainability issues.

### THE ROLE OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

#### *Disclosure Requirement GOV-1 and GOV-2*

All sustainability considerations are firmly anchored at Management Board and Supervisory Board level at LPKF. Environmental issues can be found in the areas of responsibility of both Management Board members. The Management Board, in consultation with the Supervisory Board, defines the Group and sustainability strategy. The Chief Financial Officer is responsible for monitoring the Impacts, Risks and Opportunities (Christian Witt until 31 October 2024; Klaus Fiedler as interim CEO from 1 November to 31 December 2024). The Audit, Risk and ESG Committee of the Supervisory Board also deals with sustainability issues at the supervisory board level, and Alexa Siebert is its chairperson.

A detailed overview of the executive and non-executive members of the administrative, management and supervisory bodies of LPKF SE can be found in the Management Report of the Annual Report in the chapter "Management and Control". The number of independent members is 100%. The responsibilities of the executive bodies are defined in the distribution of tasks plan. In addition, the responsibilities for impacts, risks and opportunities have been addressed in the sustainability strategy and are reflected in the risk management and management manual.

#### Competencies

##### **Management Board**

The Supervisory Board pursues a diversity concept with regard to the composition of the Executive Board and expressly acknowledges the importance of diversity. During the reporting period (from 01 January 2024 to 31 October 2024), the Management Board of LPKF SE consisted of two members with different areas of expertise and personal qualifications. This ensures that comprehensive expertise on sustainability-related topics is also available, which is reflected in the departments. In the opinion of the Supervisory Board, the diversity concept for the Management Board was complied with during the reporting period and is also being complied with currently.

##### **Klaus Fiedler (CEO): Relevant knowledge, skills and experience<sup>1</sup>**

Departments: Policy Sales & Marketing, Human Resources, Production, Research & Development, Innovation, Investor Relations (since 31 October)

As a recognized technology expert in the fields of MEMS, sensor technology and imaging, Dr. Klaus Fiedler has many years of experience in the electronics industry. He combines a strong focus on innovation with pronounced customer orientation and a deep understanding of the

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<sup>1</sup> Information unaudited

markets in Asia-Pacific, North America and Europe. Entrepreneurial spirit and successful collaboration with global Tier-1 customers characterize his career.

**Christian Witt (CFO until 31 October 2024): Relevant knowledge, skills and experience<sup>2</sup>**

Departments: Finance & Controlling, Investor Relations, Compliance & Legal, Organization & IT, Purchasing

Christian Witt has many years of experience as CFO in industrial and high-tech companies. He has expanded business models for internationally active companies in Germany and abroad, created sustainable growth, and increased profitability and company value. Christian Witt has extensive knowledge in the areas of controlling, finance, treasury, M & A and compliance and broad international experience.

**Supervisory Board**

The proposals for the election of Supervisory Board members take into account the knowledge, skills and professional experience required to perform the tasks. In this context, attention is also paid to the availability of expertise on sustainability-related topics (see the Supervisory Board's qualification matrix). The Supervisory Board has set targets regarding its composition and created a competence profile, taking into account the factor of diversity, which is considered when proposing new members of the Supervisory Board.

The Supervisory Board as a whole shall have the knowledge, skills and professional experience necessary to perform its duties. The members of the Supervisory Board as a whole shall be familiar with the sector in which the company operates. At least one member of the Supervisory Board must have expertise in the field of accounting and at least one further member of the Supervisory Board must have expertise in the field of auditing.

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<sup>2 2</sup> Information unaudited

**Qualification matrix of the Supervisory Board of LPKF Laser & Electronics SE**

Financial year 2024		Jean-Michel Richard (Chairman)	Dr. Dirk Rothweiler (Deputy Chairman)	Alexa Siebert	Prof. Ludger Overmeyer	Anka Wittenberg
Affiliation	Member since	2020	2017	2023	2019	2023
	Elected until	2025	2026	2027	2028	2027
<b>Personal suitability</b>						
Independence of the Company and the Management Board*		✓	✓	✓	✓	✓
Independence from any controlling shareholder**		✓	✓	✓	✓	✓
No overboarding***		✓	✓	✓	✓	✓
Diversity	Year of birth	1963	1963	1970	1964	1963
	Gender	m	m	w	m	w
	Nationality	Swiss	German	German	German	German
	International experience	✓	✓	✓	✓	✓
<b>Professional suitability and company-specific knowledge</b>						
Business areas	Laser technology		✓		✓	
	Electronics market / semiconductor market	✓	✓		✓	
General	Environmental, Social and Governance (ESG)	✓	✓	✓		✓
	Legal, Corporate Governance & Compliance	✓		✓		✓
	Business Administration, Financing & Investment	✓	✓	✓		✓
	Personnel / Remuneration		✓			✓
Special knowledge	Financial Experts	✓		✓		
	Accounting expert****	✓	✓	✓		
	Auditing expertise****	✓		✓		✓
<b>Committees</b>						
	Audit, Risk and ESG Committee	✓		Chair		✓
	Remuneration and Nomination Committee	✓	✓			Chair
	Strategy Committee		Chair	✓	✓	
*within the meaning of C. 7 DCGK						
**within the meaning of C. 9 DCGK						
***within the meaning of C. 4 and C. 5 GCGC						
**** within the meaning of Section 100 (5) AktG, D. 3 GCGC						



On 20 February 2024, with an update on 18 March 2024, the Supervisory Board set a new target of 40% for the proportion of women on the Supervisory Board and a target of zero (corresponding to a target quota of 0%) for the proportion of women on the two-member Management Board. The deadline for achieving both new targets is 19 February 2029.

As of 20 February 2024, and 31 December 2024, the proportion of women on the supervisory board reached 40%, thus achieving the set goal. The proportion of women on the Management Board was 0% at both points in time, thus meeting the target.

Further information on the composition of the administrative, management and supervisory bodies of LPKF SE can be found in the corporate governance declaration in the Annual Report 2024.

Detailed CVs of the administrative, management and supervisory bodies can be found on the LPKF SE website at [www.lpkf.com/en/company/management](http://www.lpkf.com/en/company/management).

#### Monitoring of actions and targets

The Audit, Risk and ESG Committee within the Supervisory Board monitors the effective implementation of the sustainability strategy. This committee is responsible for monitoring the sustainability performance and progress towards the set goals. To this end, they receive regular reports from the Management Board on the significant impacts, risks and opportunities, the conduct of the due diligence process, as well as the results and the effectiveness of the strategies, actions, metrics and targets adopted to address them. By involving management in the process and reviewing the materiality analysis, it is ensured that the existing competencies are incorporated into the determination of essential components.

#### Monitoring of significant impacts, risks and opportunities

The risks and opportunities identified in the materiality analysis are integrated into the internal risk and opportunity management system, where they are systematically monitored and taken into account in strategic decisions. The impacts, risks and opportunities resulting from the materiality analysis are reviewed once a year by the Sustainability Committee and the Management Board and supplemented if necessary. They define the direction of the sustainability strategy and the associated strategic goals. During the reporting period, the LPKF SE ESG team carried out a collection and assessment of significant impacts, risks and opportunities for the first time. The Management Board reviewed and confirmed these issues during a materiality workshop and subsequently reported them to the Audit, Risk and ESG Committee.

#### Significant impacts, risks and opportunities in the reporting year 2024

The Management Board and Supervisory Board have received a report on all the compiled impacts, risks and opportunities. The focus was on the following topics identified as material:

<b>Impacts, Risks and Opportunities<sup>3</sup></b>	<b>ESRS</b>	<b>Sub-topic</b>	<b>Sub-sub-topic</b>	<b>Part of the supply chain</b>	<b>Specification</b>
Positive impact on the climate through the production of photovoltaic systems. The end consumer is provided with the opportunity to generate renewable energy.	E1 Climate change	Energy		Down-stream	Positive impact
Negative impacts on the climate due to the emission of gases during the extraction of, for example, Granite, bauxite, iron ore, copper ore.	E1 Climate change	Climate protection		upstream	Negative impact
Positive impact on EBIT due to increased future demand for photovoltaic systems, e.g. due to legislative changes or funding programs.	E1 Climate change	Climate protection		own operations	Opportunity
Negative impact on EBIT due to rising costs along the supply chain.	E1 Climate change	Adapted to climate change		Up-stream, down-stream	Risk
Positive impact on EBIT due to improved production processes. These more efficient production processes have a positive impact and result in a market advantage.	G2 Innovation & Development	Further development of product and service portfolio		own operations	Opportunity
Negative impact on EBIT due to demographic change. Demographic change exacerbates the shortage of skilled workers, which has a direct negative impact on the company's business operations.	S1 Own evidence of employment	Working conditions	Secure employment	own operations	Risk
Negative impact on the climate due to high emission levels during the production of steel and aluminum.	E1 Climate change	Climate protection		upstream	Negative impact
Positive impact on EBIT due to increasing demand for innovative products.	G2 Innovation & Development	Further development of product		Down-stream	Opportunity

<sup>3</sup> Opportunities and risks are defined as “positive or negative impacts” on EBIT.

		and service portfolio			
Negative impact on the climate due to emissions resulting from the transportation of purchased components.	E1 Climate change	Climate protection		upstream	Negative impact
Negative impact on the environment due to emissions resulting from the cooled or heated transport of the machines produced.	E1 Climate change	Climate protection		downstream	Negative impact
Negative impact on the climate due to frequent travel by sales and service personnel.	E1 Climate change	Climate protection		own operations	Negative impact
Negative impact on the climate due to increased emissions caused by continuous air conditioning at production sites.	E1 Climate change	Climate protection		own operations	Negative impact
		Management of relationships with suppliers, including payment practices			
Positive impact on EBIT from the development of new markets with increasing sales figures resulting from new retail partnerships.	G1 Corporate policy			downstream	Opportunity
Positive impact on the energy consumption of processors through the future substitution of energy-intensive components and parts for LPKF's customers.	E1 Climate change	Energy		downstream	Positive impact
Negative impacts on climate change due to the extraction and/or transport of energy-intensive raw materials (e.g. granite and aluminum).	E1 Climate change	Energy		upstream	Negative impact
Negative impact on climate change due to individual transportation of finished machines to customers by air.	E1 Climate change	Energy		downstream	Negative impact
Positive impact on EBIT due to stronger demand for PV production facilities caused by an increased number of hours of sunshine	E1 Climate change	Adapted to climate change		own operations, downstream	Opportunity

A well-structured health management system has a positive impact on employees, potentially resulting in fewer sick days.	S1 Own evidence of employment	Working conditions	Health protection and safety	own operations	Positive impact
Positive impact on EBIT due to employer attractiveness and long-term employee retention due to an open corporate culture.	G1 Corporate policy	Corporate culture		own operations	Opportunity
Positive impacts on EBIT through lobbying activities in relevant expert committees to establish standards, which leads to increased visibility of LPKF.	G1 Corporate policy	Political engagement		own operations, downstream	Opportunity

In addition, all impacts were considered in terms of the special regulation for human rights impacts. In the process, four additional impacts were identified as material:

<b>Impacts, Risks and Opportunities<sup>4</sup></b>	<b>ESRS</b>	<b>Sub-topic</b>	<b>Sub-sub-topic</b>	<b>Part of the supply chain</b>	<b>Specification</b>
Negative impact on the health of employees, as they work with chemicals and other substances of concern. These substances can potentially be harmful to health.	S1 Own evidence of employment	Working conditions	Health protection and safety	Own operations	Negative impact
Negative impact on the health of employees through the use of lasers in production (laser-related hazards).	S1 Own proof of employment	Working conditions	Health protection and safety	Own operations	Negative impact
Negative impacts on employees in the event of human rights violations within the company.	S1 Own evidence of employment	Other work-related rights	Forced labor	Own operations	Negative impact

<sup>4</sup> Opportunities and risks are defined as “positive or negative impacts” on EBIT.

	S1				
Positive impact on employee satisfaction and retention due to clean, adequate and affordable housing.	Own evidence of employment	Other work-related rights	Suitable accommodation	Own operations	Positive impact

For more information on significant impacts, risks and opportunities, please refer to the "1.4 Materiality Analysis" section of this Sustainability Report.

### Employee representation

The representation of the interests and rights of the employees is guaranteed at the production sites by works councils freely elected by the employees and, across all locations in Germany, by the Group Works Council (six members). The latter negotiates shop agreements as well as provides advice and support to employees on a range of queries and problems concerning their employment relationship. The interests of employees in a European company are represented in cross-border matters by the SE Works Council (eleven members).

## INCORPORATION OF SUSTAINABILITY-RELATED PERFORMANCE INTO INCENTIVE SYSTEMS

### Disclosure Requirement GOV-3

The executive board's remuneration system includes various sustainability-related components. A comprehensive description of the incentive systems and the integration of sustainability-related performance can be found in the Remuneration Report, which is available on the LPKF Laser & Electronics SE website at [www.lpkf.com/en/investor-relations/corporate-governance](http://www.lpkf.com/en/investor-relations/corporate-governance).<sup>5</sup>

The remuneration of the Management Board is a key control element in the implementation of LPKF's corporate strategy and growth ambitions. This includes providing the right incentives for implementing and executing the corporate and sustainability strategy in full. With this in mind, the performance targets for the performance-based remuneration components include financial and sustainability-related targets. To increase the focus on LPKF's long-term development, the LTI is the largest component of the performance-based remuneration. To promote the share culture at LPKF and to align the interests of the Management Board and the shareholders as well as the stakeholders, the LTI is designed as a share-based remuneration component and there are Share Ownership Guidelines for the Management Board.

To ensure that the executive compensation corresponds to a performance-oriented approach ("Pay-for-Performance"), approximately 50% of the

<sup>5</sup> Information not audited

target direct remuneration (base salary, STI target amount and LTI target amount) consists of performance-dependent remuneration components.

As part of the short-term variable remuneration, there are personal, performance-related targets for each member of the Executive Board, which are weighted at 25% and are agreed upon annually at the beginning of the respective financial year. Up to four personal targets may be set. Using personal targets enables the Supervisory Board to provide incentives for achieving important strategic objectives which may also be non-financial in nature and include, for example, environmental, social or governmental aspects (ESG targets).

As part of the long-term variable remuneration, financial targets are supplemented by measurable ESG targets, which are derived from the sustainability strategy and are set annually by the Supervisory Board for each tranche of the LTI.

LPKF's sustainability strategy is firmly integrated into the long-term variable remuneration system by taking into account relevant and measurable ESG objectives. These targets are set annually for each LTI tranche based on a predefined set of ESG criteria. The value of the LTI depends on the achievement of the described success objectives and thus provides incentives for strong financial and non-financial performance. Furthermore, these performance parameters are also passed on to the underlying hierarchical levels. This takes place as part of annual interviews without specific incentives but is also partly associated with remuneration elements.

The amount of the short-term, performance-based remuneration (STI) for the financial year 2024 remains fundamentally unchanged at 40% of the total variable target remuneration and is determined by the individual degree of achievement of personal and company objectives. In terms of personal goals, there will be a focus on ESG aspects. The exact targets of the short-term component for 2024 will be disclosed subsequently in the 2024 Remuneration Report on the LPKF website at [www.lpkf.com/en/investor-relations/corporate-governance](http://www.lpkf.com/en/investor-relations/corporate-governance).

The long-term incentive scheme (LTI) will continue to account for 60% of the total variable target remuneration and will consist of long-term financial and ESG targets that are closely linked to LPKF's corporate strategy. The weighting of ESG objectives is 20%.

The Executive Board remuneration system is determined by the Supervisory Board and approved by the Annual General Meeting.

## DECLARATION OF DUE DILIGENCE

### Disclosure Requirement GOV-4

The following table provides an overview of the relevant procedures for fulfilling the duty of care (due diligence process).

Elements of the due diligence process	Section in the sustainability report	Reference to impacts on humans or the environment
Anchoring due diligence in governance, policy and business model	ESRS 2 GOV1 and ESRS 2 GOV2 - The role of administrative, management and supervisory bodies – p. 6ff	Mankind and the environment
	ESRS2 GOV3 - Incorporation of sustainability-related performance into incentive systems – p. 13f	Mankind and the environment
	ESRS 2 GOV5 - Risk management and internal controls of sustainability reporting – p. 17f	Mankind and the environment
	ESRS2 SBM-3 – Significant impacts, risks and opportunities and their interplay with policy and the business model:	
	ESRS 2 S. 21f	Mankind and the environment
	ESRS E1 S. 28f	Environment
	ESRS S1 S. 44	Mankind
ESRS G1 S. 53f	Mankind	
ESRS G2 S. 62	Mankind and the environment	
Involvement of stakeholders in the key steps of the due diligence process	ESRS2 SBM2 - Interests and viewpoints of stakeholders – p. 20	Mankind and the environment
	ESRS2 IRO1 – Stakeholder Engagement – p. 24	Mankind and the environment
Identification and assessment of negative impacts	ESRS2 IRO1 - Description of the procedure for identifying and assessing the significant impacts, risks and opportunities - p. 22ff	Mankind and the environment

	<p>ESRS2 SBM3 – Significant impacts, risks and opportunities and their interplay with policy and the business model:</p> <p>ESRS E1 S.28f</p> <p>ESRS S1 S. 44</p>	<p>Environment</p> <p>Mankind</p>
<p>Actions to address the identified impacts</p>	<p>MDR-A – Actions and resources in relation to key sustainability matters:</p> <p>ESRS E1 S.30</p> <p>ESRS S1 S. 47f</p> <p>ESRS G1 S. 53ff</p> <p>ESRS G2 S. 62</p>	<p>Environment</p> <p>Mankind</p> <p>Mankind</p> <p>Mankind and the environment</p>
<p>Tracking the effectiveness of efforts and communication</p>	<p>ESRS2 GOV1 and GOV2 – The role of administrative, management and supervisory bodies– p. 6ff</p> <p>ESRS2 MDR-M – Metrics in relation to essential sustainability matters:</p> <p>ESRS E1 S.30ff</p> <p>ESRS S1 S. 48ff</p> <p>ESRS G1 S. 59f</p> <p>ESRS G2 S. 62f</p> <p>ESRS2 MDR-T – Monitoring the effectiveness of strategies and actions through target-setting:</p> <p>ESRS E1 S.30f</p> <p>ESRS S1 S. 48f</p> <p>ESRS G1 S. 62</p> <p>ESRS G2 S. 62f</p>	<p>Mankind and the environment</p> <p>Environment</p> <p>Mankind</p> <p>Mankind</p> <p>Mankind and the environment</p> <p>Environment</p> <p>Mankind</p> <p>Mankind</p> <p>Mankind and the environment</p>



## RISK MANAGEMENT AND INTERNAL CONTROLS OF SUSTAINABILITY REPORTING

### Disclosure Requirement GOV-5

The Management Board of LPKF SE has set up a Group-wide reporting and control system to record, assess, monitor and manage risks. The internal control system and the risk management system also cover sustainability-related targets, including processes and systems for the collection and processing of sustainability-related data, and include a compliance management system. The system is continuously developed, adapted to changing conditions and periodically reviewed by the auditor. The Management Board regularly informs the Audit, Risk and ESG Committee of the Supervisory Board about existing risks and their development. Details on risk management within the LPKF Group are presented in the risk report as part of the Group Management Report in the Annual Report 2024. This contains the report on the entire internal control and risk management system, including a statement on the appropriateness and effectiveness of these systems.

As part of the dual materiality assessment carried out in 2024, a financial materiality assessment was also conducted. The thresholds used are based on the financial thresholds used in the existing risk management system. An explanation of the approach to assessing and prioritizing risks can be found in the section "Materiality Analysis - Description of the process for identifying and assessing the material impacts, risks and opportunities of this sustainability report."

Subsequent material risks arising from this assessment were incorporated into the risk management. An internal review of sustainability-related risks takes place annually when reviewing the material impacts, risks and opportunities.

### Sustainability-related risks

Two material risks have been identified:

Risk	ESRS	Sub-topic
Negative impact on EBIT due to rising costs along the supply chain.	E1 Climate change	Climate change adaptation
Negative impact on EBIT due to demographic change. Demographic change exacerbates the shortage of skilled workers, which has a direct negative impact on the company's business operations.	S1 Own workforce	Working conditions

Due to climatic changes, the prices of raw materials may increase (e.g. due to scarcity). Logistics costs may also increase due to changes in transport routes or more challenging climatic conditions. Since the risk has already materialized (supply shortages during the

Coronavirus pandemic and delays due to problems in the Suez Canal), remediation measures have already been initiated here. For example, benchmark analyses and price negotiations with suppliers take place to ensure competitiveness and price certainty.

The development of prices compared to the previous year is reviewed on a monthly basis. Here, the control lies in purchasing. Risk monitoring is carried out via the risk management system.

Due to demographic change, there are fewer skilled workers in the labor market for a growing number of job vacancies. In addition, employees are getting older on average, so the shortage will become even more acute in the coming years when they retire. LPKF counteracts this by presenting itself as an attractive employer on the market. Young, up-and-coming professionals are trained in various professions and are usually hired after completing their training. There are cooperation agreements with vocational schools, as well as a pool of exclusive final theses. Targeted personnel development measures (e.g. training) enable the aging workforce to meet the changing job requirements. Through strategic succession planning, identified key positions are integrated into the personnel strategy.

The control here lies with the human resources department. Risk monitoring is carried out via the risk management system.

Regular reporting to the Management Board and Supervisory Board on sustainability-related risks takes place as part of the risk management process.

### 1.3 POLICY

## **POLICY, BUSINESS MODEL AND VALUE CHAIN**

### *Disclosure Requirement SBM-1*

A description of the Policy the business model and the Value chain can be found in the Annual Report 2024 in the chapter "Group structure and Business model" in the management report.

The value chain of LPKF was analyzed in preparation for the materiality analysis. This analysis included a systematic examination of all production and delivery processes at LPKF in order to identify and evaluate the environmental, social and governance impacts along the value chain. In this process, subject matter experts from the various business units were included in the analysis. When defining the stakeholders, it was subsequently ensured that all parts of the value chain were also covered. In the context of the dual materiality analysis, LPKF has also taken into account the positioning within its own value chain when collecting the impacts, risks and opportunities arising from environmental, social and governance issues (see section "Materiality Analysis").

The value chain at LPKF includes the upstream supply chain (suppliers), the company itself, and the downstream value chain (customers, product use, end-of-life cycle). The steps to be carried out were precisely defined in the different areas of the value chain. The upstream and downstream value chain is described in the "Corporate structure and business model" chapter of the Management Report in the Annual Report 2024, including the sections

"Production and procurement" and "Distribution." In addition to suppliers of laser sources, optics and mechanical components, the key economic players include our own sales companies and the dealer network, as well as customers from industry and research.

Data on employees can be found in section "Characteristics of the undertaking's employees" in the "4. Social information – own workforce" chapter of this sustainability report.

Research and development are of paramount importance for LPKF. Many of its innovations and further developments are created in close partnership with customers. To maintain its innovative strength, the company invests approximately 10% of its revenue annually in its own research and development. Therefore, material resources, such as software and raw materials, intangible resources, such as patents and trademarks, human resources in the form of highly qualified specialists, as well as financial resources through sufficient capital, are among the most important inputs. The securing of personnel and material resources is described in the section of this Sustainability Report entitled "Material impacts, risks and opportunities and how they interact with the strategy and business model".

LPKF produces systems that enable customers to produce more efficiently and in a more environmentally friendly manner. Similarly, the company generates know-how for its customers, which is then licensed. This is how LPKF generates growth and, consequently, continuous value creation. A detailed description of the outputs and results in terms of the current and expected benefits, particularly for customers, can be found in the Annual Report 2024 in the "Business Segments" section of the Management Report.

#### Sustainability Strategy

In addition to the company strategy, a sustainability strategy has been developed. This document contains the most important guidelines for the entire company regarding sustainability issues:

##### **Environment:**

Reduce scope 1 and scope 2 emissions to zero by 2032.

##### **Social:**

LPKF aims to establish a long-term commitment of its employees to the company. For business-critical positions, an employee-induced turnover rate of <5% should be achieved. The company contributes to the local community through positive engagement. By 2028, 90% of the main suppliers are expected to meet the sustainability requirements.

##### **Governance:**

As a result of strict compliance with laws and regulations, LPKF continuously strives for zero reported violations of laws and regulations throughout the entire Group.

##### **Innovation & Development:**

LPKF invests at least 10% of its revenue in research and development.

These main objectives are underpinned by various sub-objectives and accompanying actions, the achievement of which is monitored and evaluated by the sustainability management

system. Sustainability goals always relate to the entire company, and thus also to all segments and products. No classification is made according to products, markets or customer groups.

## INTERESTS AND VIEWPOINTS OF STAKEHOLDERS

### *Disclosure Requirement SBM-2*

As a listed company, LPKF maintains a dialogue with a number of stakeholders who have different demands of and influence on the company. LPKF is convinced that a regular exchange of information with the various stakeholders is of great importance for the internal and public perception of the company. As part of the dual materiality analysis, the internal and external stakeholders relevant to LPKF were examined along the entire value chain and identified as follows:

#### LPKF Laser & Electronics SE

Stakeholders affected	Users of sustainability reports
Employees	Banks
Works Council	Associations
Customers	Local councils
Suppliers	Authorities
Management Board	Insurance companies
Shareholders/Investors	Neighbors

Each stakeholder group has different needs and perspectives that are incorporated into the strategic decisions and operations of the company – for example, in the areas of personnel development and employee satisfaction, supplier management, customer needs or investor relations. Furthermore, the views on the definition of the significant impacts, risks and opportunities are incorporated into the overarching corporate strategy.

Information about the views of stakeholders is collected in both quantitative and qualitative ways. As part of our business activities, we maintain a regular dialogue with our stakeholders – for example, through personal conversations, informational sessions, satisfaction surveys, events or trade fairs. As part of the materiality analysis, stakeholders were involved in the assessment of the company's impacts, risks and opportunities through personally conducted interviews. Using a standardized questionnaire, representatives of each stakeholder group were asked about their view of LPKF's sustainability performance, as well as impacts (external stakeholders), risks and opportunities (internal stakeholders).

As part of the annual review of the materiality analysis, the Management Board and the Audit, Risk & ESG Committee of the Supervisory Board are informed about the views of the critical stakeholders.

## **SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERPLAY WITH POLICY AND THE BUSINESS MODEL**

### *Disclosure Requirement SBM-3*

A description of the key impacts, risks and opportunities and their interaction with policy and the business model can be found in the respective ESRS chapters on the subject. An overview of the key impacts, risks and opportunities can be found in the section "The role of administrative, management and supervisory bodies" of this sustainability report.

The financial impacts of significant risks and opportunities are assessed and monitored in the risk and opportunity management process. Detailed information on this can be found in the Annual Report 2024 in the chapters "Risk Report" and "Report on Opportunities" of the Management Report.

There are currently no significant financial impacts of the material impacts, risks or opportunities on the financial position, financial performance and cashflows of LPKF SE, and there is no significant risk of a material adjustment to the assets and liabilities reported in the annual financial statements.

Risks and opportunities are always assessed in the context of risk management on a two-year basis. Currently two material risks related to sustainability are recorded and assessed in the risk management process. In the short to medium term, financial effects are expected due to sustainability-related risks, which, however, are taken into account in the annual planning and mitigated by appropriate remediation measures. Any impacts of the remediation measures on the risks have been taken into account (net consideration) and also affect the company's financial situation. Thus, the financial extent of these risks expected in the short to medium term can be considered moderate within the framework of EUR 1.8 million. This expected value refers to the planned contribution margin. Risks, such as reputational risks or tax risks, which do not have an immediate negative impact on a coverage amount, are – as far as possible – monetarily assessed in terms of their impact on the planned EBIT.

In opportunity management, currently ten opportunities with a sustainability focus are being tracked. Similar to risk management, an expected value is also calculated here over a two-year period. Thus, the expected financial scope of the opportunities is EUR 6.8 million.

Actions are financed from ongoing funds or treated as investments within the framework of ongoing business operations.

The risk-bearing capacity is calculated on a monthly basis to assess the company's resilience with regard to existing risks, and the results are reported to the Management Board.

In addition, a quarterly report on the assessment of risk-bearing capacity is submitted to the supervisory board.

A potential risk to the company's assets, financial situation and results of operations is calculated using a threshold value. This arises from the assessment of liquidity positions over a short-term period of twelve months. From the liquidity position, an average monthly budget revenue of the current year is deducted as a general liquidity reserve. The threshold value thus calculated represents the lower limit of risk tolerance.

If the overall risk exposure of the company is below the threshold value, the company can bear this level of risk over time without jeopardizing its own survival. No special actions are required then to ensure its continued existence.

If the company-wide total risk exposure is equal to or above the threshold value, this does not automatically mean that the inventory is at risk. In this case, a more detailed analysis of the risk-bearing capacity will first be carried out and, if necessary, additional actions will be initiated to either reduce the maximum risk exposure or to financially secure it.

In the reporting year, an assessment of the significant impacts, risks and opportunities was carried out for the first time, so that no comparison with the previous reporting period is possible.

Two opportunities have been identified, which are described in more detail in the "Innovation & Development" chapter with additional company-specific information. In the overview of the significant impacts, risks and opportunities in the section "The role of the management, executive and supervisory bodies" of this sustainability report, these are marked as "G2 - Innovation & Development." The remaining impacts, risks and opportunities fall under the Disclosure Requirements of the ESRS.

#### 1.4 MATERIALITY ANALYSIS

This section describes how the significant impacts, risks and opportunities of LPKF SE were identified and assessed.

### **DESCRIPTION OF THE PROCEDURE FOR IDENTIFYING AND ASSESSING THE SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES**

#### *Disclosure Requirement IRO-1*

As part of a dual materiality analysis, LPKF has, for the first time in the reporting year, identified the impacts, risks and opportunities (IROs) relating to environmental, social and governance issues in its own operations (Group-wide) and in the upstream and downstream value chain. The specific activities and business relationships of LPKF SE, as well as the geographical factors at the company's own locations and within the value chain, were considered and included in the evaluation by the expert consultants surveyed. The list of sustainability matters in accordance with ESRS 1 AR16 served as the basis. In addition, the company-specific topic of "Innovation & Development" was included. The result was a comprehensive list of IROs that were assigned to the sustainability aspects:

- Potential and actual negative impacts of LPKF on society and/or the environment
- Potential and actual positive impacts of LPKF on society and/or the environment
- Risks arising from the impacts and/or dependencies of human and natural resources
- Opportunities arising from the impacts and/or dependencies of human and natural resources

These IROs were evaluated by subject matter experts based on their (financial) magnitude and likelihood of occurrence. In addition, the scope and, where applicable, the immutability

of the IROs were taken into consideration and justified in each case. In addition to our own expertise, the results of stakeholder interviews, industry research, public sources and data, as well as empirical findings and internal documents served as the basis for this. In total, 195 IROs were identified.

In accordance with the current business situation, based on experience and other external factors, the impacts, risks and opportunities were assessed in terms of their likelihood of occurrence. For both perspectives, the same probability of occurrence was used in the evaluation, and the scales were taken from the risk management process:

#### Probability of entry

Scale	in %
4 - Very likely	> 75
3 – Probably	50.1 ≤ 75
2 – Possible	25.1 ≤ 50
1 – Unlikely	0 ≤ 25

The material IROs were reviewed by the entire Management Board in the context of a materiality workshop, and the materiality threshold was determined. The material IROs were used to derive the topics that are essential for LPKF at the sub-sub-topic level:

#### E1 Climate change

- Energy
- Climate change mitigation
- Climate change adaptation

#### S1 Own workforce

- Working conditions
- Equal treatment and equal opportunities for all
- Other work-related rights

#### G1 Business conduct

- Corporate culture
- Political commitment
- Management of relationships with suppliers
- Corruption and Bribery
- Protection of whistleblowers

#### G2 LPKF specific – Innovation & Development

- Further development of service and product portfolios

The identified IROs and material issues are subject to an annual or occasion-related review by the sustainability team and the Management Board.

A detailed report on these topics can be found in the following chapters of the sustainability report.

**Significant non-financial impacts**

The collection of positive and negative impacts was carried out using guiding questions on the topics of environment, social issues and governance. All potential topics within the scope of our own activities and the value chain were taken into account. Monitoring of the significant impacts is carried out, on the one hand, through the annual review of the materiality analysis and, on the other hand, in the future it will be through sustainability management and the targets and actions defined for each topic that is significant for LPKF.

**Stakeholder engagement**

Interviews were conducted with representatives from all relevant external stakeholder groups (see the “Stakeholder interests and points of view” section of this sustainability report) regarding the issues they consider to be most important in relation to LPKF. They were asked to identify the five most important issues where LPKF has the greatest positive or negative impacts, and to specify which positive and negative impacts they see here. The results have been incorporated into the IRO list.

The internal stakeholders were also involved in the collection and evaluation of the IROs through representatives during a workshop.

**Materiality of negative and positive impacts**

The assessment of the materiality of the impacts consists of the magnitude, scope and irreversibility.

The severity of an actual or potential negative impact is assessed from the perspective of the affected stakeholders and is determined by the following characteristics, which form the basis for setting the threshold values:

*Extent: How severe is the impact?*

Scale	Description
5 - Very high	
4 - High	How serious is the impact on the environment / the quality of life of the affected persons?
3 - Medium	
2 - Low	
1 - Very low	

*Scope: How widespread is the impact?*

Scale	Description
5 - Global	How widespread is the impact on the environment / how many people are affected by it?
4 - Widely spread	
3 - Medium	
2 - Limited	



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1 – Local

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*Irreversible nature: To what extent can a negative impact be remedied?*

Scale	Description
5 – Irreversible	
4 – Hardly reversible / long-term	What effort is required to rectify negative impacts?
3 – Hardly reversible / medium term	
2 – Hardly reversible / short-term	
1 – With zero to little effort	

Initially, a mean value is assumed for these three factors in the subsequent calculation. This is then multiplied by the respective probability of occurrence.

If one of the three variables (extent | scope | immutability) received the highest possible score as part of the topic evaluation, the severity was assessed according to ESRS 1 notes 1 AR 11 as the highest value instead of the average value.

Actual positive and negative impacts follow a different evaluation scheme and must be considered separately. In these cases, the probability of entry is automatically the highest possible. Only those incidents that can be described accurately and quantitatively are considered as actual effects – for example, those that can be proven through studies, documentation, internal surveys or measurements. If a real impact has been rated twice with a 4 or once with a 5, it is considered material.

In the case of a human rights impact, severity overrides likelihood (exception). To reduce complexity, the IRO assessment initially applied the same methodology for human rights impacts as for other impacts. Subsequently, all identified human rights-related impacts were reviewed to ensure that severity overrode likelihood.

If an impact reaches the materiality threshold set by the Management Board, it is considered material, and the associated sub-sub-topic is included in the report.

### **Significant financial impacts**

To identify the key financial impacts, internal subject matter experts have made assumptions about potential risks and opportunities arising from the impacts and/or dependencies of human and natural resources. These were assessed, where possible, using existing financial evaluations and data sources.

The identified sustainability risks and opportunities are assessed based on their likelihood of occurrence and the potential magnitude (the positive/negative impact on EBIT) of their financial impacts by multiplying both values together.

*Extent of the damage/benefit*

<b>Scale</b>	<b>Impacts on EBIT (in EUR thousand)</b>
5 - Very high	> 1,000
4 – High	650 ≤ 1,000
3 – Resources	300 ≤ 650
2 – Low	100 ≤ 300
1 – Very low	0 ≤ 100

The rating scales have been aligned with internal risk management. In order to ensure consistency, the LPKF internal scale for the extent was adopted as part of the financial materiality and supplemented with a fifth category ( $0 \leq 100$  EUR thousand). Within the framework of classical risk management, the identified sustainability risks are treated and monitored in the same way as other risks and are regularly re-evaluated. The same applies to sustainability opportunities, which are also integrated into traditional risk management.

If a risk or opportunity reaches the materiality threshold set by the Management Board, it is considered material, and the associated sub-sub-topic is included in the report.

## **INDEX OF ESRS REPORTING OBLIGATIONS**

### *Disclosure Requirement IRO-2*

A complete index table with the ESRS disclosure requirements, as well as a list of disclosure requirements resulting from other EU legislation, can be found in the notes at the end of this sustainability report.

## **SELECTION OF MANDATORY INFORMATION**

The individual IRO assessments were consolidated to obtain the list of material IROs. These form the basis for the preparation of the sustainability report. To define the essential disclosure requirements for reporting, the individual IRO assessments can be aggregated at the topic level, sub-topic level, and sub-sub-topic level. The highest-ranked IRO provides the score per topic/subtopic/sub-subtopic. This approach was chosen to give particular priority to risks and negative impacts, which were generally considered to be more important than positive impacts and opportunities. The aggregation also ensures that no highly rated impact, risk or opportunity is neglected in the reporting.

In order to define whether an IRO (and thus a sustainability issue) is material, a threshold value was applied. This materiality threshold has been established in such a way as to achieve the highest possible level of consistency with the company's risk management system.

## **MINIMUM DISCLOSURE REQUIREMENTS FOR STRATEGIES AND MEASURES**

The minimum disclosure requirements (MDR) according to ESRS 2 are addressed in the individual ESRS chapters. The individual references can be found in the index table with the ESRS reporting requirements in the notes.

## 2 ENVIRONMENTAL INFORMATION - CLIMATE CHANGE

This chapter has been prepared on the basis of ESRS E1 "Climate change".

The topic of climate change is examined in this chapter from two perspectives: climate change mitigation and climate change adaptation. In addition, topics related to energy efficiency and the use of renewable energies are addressed, where relevant. The aim of this chapter is to highlight the way in which LPKF has an impact on climate change and what efforts to mitigate climate change have already been undertaken or are planned in the future.

### 2.1 POLICY

Integrating sustainability performance in incentive systems

*Disclosure requirement GOV-3*

LPKF sees climate change as one of the greatest current global challenges, which requires decisive action from all social players, especially the business community. As a company, LPKF bears a special responsibility to contribute actively to limiting global warming through sustainable strategies and innovations. This commitment is not only ecologically necessary, but also essential for the future viability of our own business model. Sustainability issues are already taken into account in the company's remuneration policies, but no specific reduction targets have yet been defined in accordance with the requirements of E1-4. Once these have been determined, they will be systematically integrated into the remuneration system.

Material impacts, risks and opportunities and their interaction with policy and business model

*Disclosure requirement E1-SBM-3*

As part of the analysis on climate change, climate-related physical risks were considered and analyzed in relation to the locations. The result showed that only a small number of climate hazards per site were classified as a risk. These include the climate risks of water scarcity at the Fürth site, soil erosion at the Suhl site, cold waves/frost at the production sites and subsidence also at the Fürth site. A further analysis revealed that these do not pose any risks for LPKF, as countermeasures have already been implemented (e.g. installation of heating systems, use of winter road maintenance services) or the risks do not have any significant impact on the business activities (there is no significant water consumption, no dependence on the use of the humus layer). The implementation of a "transition plan for climate protection" has not yet been fully completed. The risks will continue to be monitored in this context so that further action can be taken if necessary.

The climate risk analysis showed that none of the climate hazards identified pose a high risk to the production sites. Risks that have been classified as high even when taking into account the SSP5-8.5 scenario are already being addressed with countermeasures and thus do not pose any further danger to production locations in all applicable time horizons. The sales locations were excluded from the analysis. In LPKF's opinion, the business model does not currently need to be adapted to the identified climate risks and resilience does not need to be increased in this regard. The upstream and downstream value chain and the transitional

risks will also be analyzed in depth in the next reporting period. This framework can be used to review the resilience of the business model. Further information on the climate risk analysis can be found in the section "Management of impacts, risks and opportunities related to climate change".

## 2.2 MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

### *Disclosure requirement E1-IRO-1*

The impacts on climate change were identified and assessed in the course of the double materiality analysis both for our own business activities and for the upstream and downstream value chain. A particular focus was placed here on the upstream stages of the production sites. In particular, the extraction of raw materials such as granite, bauxite, iron ore and copper ore as well as the production of aluminum and steel lead to high emissions in the upstream value chain. The transport of purchased materials to the production sites also causes further emissions and thus contributes to climate change. Within the scope of our own business activities, the trips taken by our sales and service personnel have additionally been identified as a significant contributor to climate change. Larger amounts of emissions are emitted as a result of the continuous air conditioning at the production sites. In the downstream value chain, the delivery of the machinery that is manufactured has a further negative effect on the environment, as the cooling or heating of the transporters leads to increased energy consumption and thus larger amounts of emissions.

LPKF also makes a positive contribution to the environment through its own products, as the manufacture of photovoltaic systems enables energy to be generated from renewable sources. In addition, customers can replace energy-intensive components and parts with LPKF products. A detailed description of the general process to identify and assess the impacts, risks and opportunities can be found in chapter "1. General Disclosures".

The production sites in Germany and Slovenia were considered in order to identify climate-related physical risks. Various scenarios were considered in the climate risk analysis, for example the scenarios SSP1-RCP2.6, SSP2-RCP4.5, SSP3-/RCP7.0 and SSP5-/RCP8.5. A particular focus was placed on climate scenarios with high emissions, such as the SSP5-8.5 scenario. The climate risks for each production site were analyzed separately in more detail on this basis and the extent to which they apply to the geographical location in question was assessed. For each climate risk, a distinction was made between physical risks and transition risks before these were assessed based on different time horizons. The time horizons are divided into short-term climate risks (current), medium-term climate risks (by 2030) and long-term climate risks (by 2050). The climate risks that have been classified as high-risk do not have any impact on assets or business activities in any time horizon.

In the course of the climate risk analysis, the initial focus was on analyzing physical climate risks. The next step involves examining the transitional risks, which, due to their complexity and relevance for all markets of interest to LPKF, require a particularly thorough analysis. The

goal is to have conducted and documented the analysis of the transitional risks in the next financial year (by the end of Q2).

Policies related to climate change mitigation and adaptation

*Disclosure requirements E1-1 and E1-2*

The LPKF sustainability strategy defines clear guidelines and targets in its own areas of activity in order to shape social and environmental aspects in a sustainable and responsible manner. These include working conditions and human rights, environmental protection, occupational health and safety and issues in the supply chain. The Audit, Risk and ESG Committee within the Supervisory Board is responsible for monitoring this area. As part of the sustainability strategy, a focus is placed on contributing to climate change mitigation and improving the environmental footprint. LPKF is aiming to achieve carbon-neutral production (based on location-specific calculations) by 2030 through more efficient processes and energy measures. The carbon footprint is calculated annually in order to achieve continuous improvement. The topics of energy efficiency and the use of renewable energies are not dealt with in more depth in the directive. An explicit transition plan has not yet been published. LPKF is currently in the process of developing a transition plan. The goal is to have developed and published a transition plan in the next financial year (Q4).

The directive applies to LPKF Laser & Electronics SE as well as its subsidiaries and sales companies if these have more than 15 employees. The Management Board is responsible for the structural and organizational implementation of the sustainability strategy.

Actions and resources in relation to the climate policies

*Disclosure requirement E1-3*

As part of the sustainability efforts, the previous targets have been backed up by actions. The next step will see these linked to the results of the materiality analysis, so that all actions are geared toward the material impacts, risks and opportunities. The goal is to have developed the actions in the next fiscal year (Q4) together with the climate targets and the transition plan.

## 2.3 METRICS AND TARGETS

Targets related to climate change

*Disclosure requirement E1-4*

Currently, no CSRD-compliant climate targets have been defined and published. LPKF is currently in the process of developing these. The goal is to have developed and published climate targets in the next fiscal year (Q4) and thus to refine the company-wide ESG strategy. The effectiveness of the existing policies is nevertheless already measured using the targets defined in previous years (see Table 1). These targets were developed in accordance with ISO45001 and ISO14001 and also on the basis of the PDCA principle. The development of the targets is monitored as part of the HSE Management Program. The table below shows the targets; 2021 is used as the base year.

**Table E1-4**

Target	Time of target achievement	Target	Actual status 2024
Carbon-neutral production (energy and industry emissions)	2030	0 t emissions	110.4 t <sup>1</sup>
Green electricity	2022	100% production sites	99.6%
Expansion of electric mobility in terms of company cars	2025	25% of the company fleet	12.9%
	2030	100% of the company fleet	

<sup>1</sup>The value is higher than in the previous year because coolants and pool vehicles have been included in Scopes 1 and 2 for the first time since 2024.

**Energy consumption and mix**  
*Disclosure requirement E1-5*

This chapter contains information about the energy consumption and the energy mix of all locations in Germany, China, Japan, Korea, the USA and Vietnam.

The following methods were used to calculate the energy data:

- For scope 1, the basis is primarily provided by the meter readings.
- For scope 2, the invoice information of the suppliers is used at the production sites.
- At the sales companies, information is requested using templates, as these account for only a small proportion of the Group's consumption. The distribution of the electricity mix for the sales companies was determined on the basis of the data sheet of the German Association of the Automotive Industry (VDA).

The plausibility of the energy data is checked annually on the basis of historical data. In the event of discrepancies, consultations are held with the responsible persons.

Following an analysis of the business activities, it was determined that all business activities at the production sites and the sales companies fall under the high climate impact sectors. LPKF's activities can be assigned to the 'Manufacturing' sector. This includes the mechanical, physical or chemical transformation of materials or parts into new products, the manufacture and installation of machinery and equipment as well as its maintenance, servicing and repair. The energy consumption is accordingly broken down for these locations.

**Table E1-5: Energy consumption and mix**

<b>Target</b>	<b>2024</b>
Fuel consumption from coal and coal products	1,706.8 <sup>1</sup>
Fuel consumption from crude oil and petroleum products	0 <sup>1</sup>
Fuel consumption from natural gas	388.5 <sup>1</sup>
Fuel consumption from other fossil sources	51.4
Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	0
<b>Total fossil energy consumption (MWh)</b>	<b>2,146.7</b>
Share of fossil sources in total energy consumption (%)	40.4%
Consumption from nuclear sources (MWh)	696.8
Share of consumption from nuclear sources in total energy consumption (%)	13.1%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	316.0
Consumption of purchased or received electricity, heat, steam and cooling from renewable sources (MWh)	536.3
Consumption of self-generated non-fuel renewable energy (MWh)	169.9
<b>Total renewable energy consumption (MWh)</b>	<b>1,022.5</b>
<b>Share of renewable sources in total energy consumption (%)</b>	<b>19.3%</b>
<b>Total energy consumption (MWh)</b>	<b>5,311.1</b>

<sup>1</sup>For the energy sources coal, crude oil and natural gas, the data is provided directly by the supplier and broken down to show the distribution in the electricity mix per energy source for the production sites.

The table below shows the total energy consumption in energy intensity based on net revenue for activities in high climate impact sectors.



**Table E1-5: Energy intensity for activities in high climate impact sectors**

Energy intensity	2024
Total energy consumption from activities in high climate impact sectors (MWh)	5,311.1
€1-5.40 Energy intensity (MWh/TEUR)	0.043
€1-5.43 Total net revenue (EUR thousand)	122,890

Greenhouse gas emissions (scope 1, 2 and 3 categories as well as total GHG emissions)

*Disclosure requirement E1-6*

LPKF's greenhouse gas emissions are calculated in accordance with the guidelines of the GHG Protocol. The accounting covers all locations in Germany, China, Japan, Korea, the USA, and Vietnam.

The analysis of the scope 3 categories showed that categories 1, 2, 3, 4, 5, 8, 10, 11, 12, 13, 14, 15 can be considered as not significant because of a low correlation with the business activities or excessive economic costs. In the calculation of the significant scope 3 categories, 0% of the emissions could be determined using primary data from suppliers or partners in the value chain.

At the production sites, the data were provided by service providers. The data were manually collected and processed by the sales companies. Spot checks are conducted and supporting documents are used to ensure that uncertainties are kept to a minimum.

Various methods are used to calculate greenhouse gas emissions, depending on the category of emissions. For example, the data for Scope 1 emissions is provided directly to the production sites by the electricity suppliers. Depending on the calculation method used for Scope 2 emissions, the data was either calculated on the basis of emission factors or provided directly via certificates. For the calculation of Scope 3 emissions, data is submitted directly by partners (such as travel providers or the ADAC automobile club) or the LPKF sites.<sup>6</sup>

**Table E1-6: Total GHG emissions from companies under operational control, broken down by scope 1 and 2 and significant scope 3**

Scope 1 GHG emissions	2024
Gross scope 1 GHG emissions (tCO <sub>2</sub> eq)	310.2 <sup>1</sup>
Percentage of gross scope 1 GHG emissions from regulated emission trading systems (%)	59.6% <sup>2</sup>
<b>Scope 2 GHG emissions</b>	

<sup>6</sup> Information unaudited (data from external partners)

Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> eq)	1,331.8 <sup>3</sup>
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> eq)	97.1 <sup>4</sup>
<b>Scope 3 GHG emissions</b>	
1 Purchased goods and services	-
[Optional subcategory: Cloud computing and data center services]	-
2 Capital goods	-
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	-
4 Upstream transportation and distribution	-
5 Waste generated in operations	-
6 Business travel	2,426.4 <sup>5</sup>
7 Employee commuting	284.4 <sup>6</sup>
8 Upstream leased assets	-
9 Downstream transportation	1,118.7 <sup>7</sup>
10 Processing of sold products	-
11 Use of sold products	-
12 End-of-life treatment of sold products	-
13 Downstream leased assets	-
14 Franchises	-
15 Investments	-
Total gross indirect (scope 3) GHG emissions (tCO <sub>2</sub> e)	3,829.47
Total GHG emissions (location-based) (tCO <sub>2</sub> eq)	5,471.5
Total GHG emissions (market-based) (tCO <sub>2</sub> eq)	4,236.8

<sup>1</sup> The data of the scope 1 emissions were transmitted by the suppliers directly to the production sites.

The retroactive determination may have given rise to slight deviations in the current gas data.

Emissions from coolant consumption were also included for the first time.

<sup>2</sup> This value is based on the certificates submitted by the suppliers. To prevent uncertainty, the transmitted values were compared with prior-year values. The suppliers were contacted if deviations were identified.

<sup>3</sup> The data for location-based scope 2 emissions were determined based on the regional climate mix (source: German Environment Agency).

<sup>4</sup> The gross market-based scope 2 GHG emissions (tCO<sub>2</sub>eq) were transmitted directly by the suppliers using certificates.

At the sales companies, the meter readings were manually collected, standardized and transmitted using the data collection templates (consumption lists).

<sup>5</sup> To determine the values of the scope 3 category 6 emissions, the data of the production sites were transmitted by the travel providers. The sales companies recorded business trips manually using data collection templates (consumption lists). Due to a lack of data, some CO2emissions from air travel were determined manually for the Asian locations by comparing routes and calculations.

<sup>6</sup> The stated value of the scope 3 category 7 emissions includes company vehicles that are also used for private journeys. The data were provided by the leasing providers. Missing data were estimated based on the ADAC vehicle data sheets.

<sup>7</sup> To determine the scope 3 category 9 emissions, the freight forwarders responsible for 89.6% of the revenue were evaluated. This value was extrapolated to 100%. The underlying data were transmitted directly from the freight forwarders to the production sites. Data were manually recorded at the sales companies using data collection templates (consumption lists). The data for the Korean site were estimated.

As the table below shows, only fully consolidated companies are relevant for the calculation of the scope 1 and 2 emissions. LPKF does not have any other associated companies, joint ventures or non-consolidated subsidiaries under its operational control.

**Table E1-6: Scope 1 and scope 2 emissions by system boundary**

	<b>2024</b>
<b>Consolidated Group (the parent company and its subsidiaries)</b>	
Scope 1 (tCO2eq)	310.2
Scope 2 market-based (tCO2eq)	97.1
Scope 2 location-based (tCO2eq)	1,331.8

The intensity of the greenhouse gas emissions is indicated in order to better classify the emissions footprint. To this end, the ratio of total GHG emissions to net revenue is calculated. This indicator allows a transparent assessment of the trend in emissions in relation to economic performance.

**Table E1-6**

<sup>E1-6.53</sup> <b>Greenhouse gas emissions intensity</b>	<b>2024</b>
Total net revenue (TEUR)	122,890,000
Total GHG emissions (location-based) per total net revenue (tCO2eq/TEUR)	0.044
Total GHG emissions (market-based) per total net revenue (tCO2eq/TEUR)	0.034

Table E1-6 below shows biogenic CO<sub>2</sub> emissions resulting from the combustion or biodegradation of biomass separately from the scope 1 GHG emissions. This differentiation enables a transparent representation of the emission sources and their specific impacts on LPKF's carbon footprint.

**Table E1-6: Biogenic emissions****Scope 1 GHG Emissions**

	Gross emissions (tCO <sub>2</sub> eq)	Biogenic CO <sub>2</sub> emissions from combustion or biodegradation of biomass (tCO <sub>2</sub> eq)
Total scope 1	310.2	11.3*

**Scope 2 GHG emissions**

Location-based	1,331.8	
Market-based	97.1	

**Significant scope 3 GHG emissions**

Total scope 3	3,829.5	-
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\*The amount of biomass was provided directly by the supplier in tonnes. In a further step, this value was manually converted to kWh. The basis used for this was the reference value of the German Environment Agency, which converts 1 kg = 4.9 kWh.

**Table E1-6: Contractual instruments scope 2**

Type of contractual instruments	Quantity of contractual instruments [MWh]
Green electricity contracts (relevant in Germany)	2,744.5 <sup>1</sup>
EACs (relevant for USA)	92.8 <sup>2</sup>

<sup>1</sup>All electricity purchased at the German locations in Garbsen and Suhl was green electricity (100%). The corresponding values can be read directly from the certificates.

<sup>2</sup>At the American locations, the actual consumption data were read from the certificates of the electricity supplier.

**Greenhouse gas removals and carbon certificates***Disclosure requirement E1-7*

LPKF did not achieve any greenhouse gas removal and storage as part of its own projects within its own business activities or along the upstream and downstream value chain in the reporting period.

In terms of financing climate protection projects outside the value chain, LPKF indirectly supports climate protection projects through the carbon certificates issued by electricity and gas suppliers. However, no detailed information is available regarding the specific projects that are supported by these certificates and the amount of greenhouse gases that are thereby neutralized. The carbon certificates are issued in accordance with the recognized standards.

**Table E1-7: Greenhouse gas removals**

	<b>2024 (tCO<sub>2</sub>eq)</b>
Electricity certificate	1,193.9 <sup>1</sup>
Gas certificate	184.9 <sup>2</sup>
Electricity certificate	40.8
<b>Total amount of greenhouse gas emissions removed in connection with own activities (tCO<sub>2</sub>eq)</b>	<b>1,419.6</b>

<sup>1</sup>To calculate the values for the carbon certificates of the electricity consumer, the values from Table E1-6 "Contractual instruments in Scope<sub>2</sub>" were converted into tCO<sub>2</sub>eq. The emission factor for energy of the German Environment Agency served as the basis for this.

<sup>2</sup>The values for the carbon certificates of the gas consumers were read directly from the certificates.

## 3 EU TAXONOMY

### 3.1 PROCESS

#### Background

The European Union has set itself the goal of being climate neutral by 2050. Within the framework of this project, the EU Commission has defined the "Sustainable Finance" action plan with various measures, such as the EU Taxonomy. On 1 January 2022, the EU Taxonomy Regulation (EU 2020/852) came into force for the first time. One of the objectives is to realign financial flows towards sustainable investments. The classification system is used to describe economic activities that can contribute to the six defined environmental objectives of the EU taxonomy. The six defined environmental objectives are:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

For the classification of an economic activity as environmentally sustainable in terms of the EU taxonomy, a differentiation between taxonomy eligibility and taxonomy alignment is required. First, it must be checked whether the economic activity is described in accordance with the EU Delegated Regulation (EU 2021/2139 and 2023/2486). In a second step, it is necessary to check whether the economic activity is also taxonomy-aligned by examining the various criteria.

For an economic activity to be considered environmentally sustainable in the sense of the EU taxonomy, it must fulfil various conditions. According to the Regulation, this includes the substantial contribution of the economic activity to one of the six environmental objectives. At the same time, this economic activity shall not significantly harm any of the other environmental objectives ("Do no significant harm", DNSH). The criteria of substantial contribution as well as the DNSH criteria are laid down in the so-called technical screening criteria. In addition, the minimum safeguards must be met. These include the four core topics on human rights including workers' rights, anti-corruption, fair competition and taxation.

In the reporting year, the taxonomy capability of economic activity regarding environmental objectives 1-6 was audited. An economic activity is taxonomy-aligned if it fulfils the conditions of the Regulation described above.

However, the mechanical engineering sector is not a focus sector for the EU-taxonomy. The majority of activities of LPKF are not listed in the Delegated Regulation EU 2021/2139 and 2023/2486 in the current version. From our point of view our technologies are making a positive contribution to environmental aspects as they promote the sustainable

development of various sectors of the economy. Many of our products are used by our customers for the production of goods that are already listed under the activities of the EU taxonomy regulation.

As in the previous year, LPKF can generally locate the SolarEquipment segment in the classification system for the turnover as well as for the CapEx (Capital expenditures) and OpEx (Operating expenditures) key performance indicators (KPIs) according to the Delegated Regulation 2021/2139. The activity is assigned to the environmental goal "climate change mitigation". In this context, the business unit falls into the category "3.1 Manufacture of renewable energy technologies". Furthermore, CapEx from the acquisition of products of taxonomy-eligible economic activities and individual measures have been identified in relation to the activities "4.16 Installation and operation of electric heat pumps", "7.6 Installation, maintenance and repair of renewable energy technologies" and "6.5 Transport by motorbikes, passenger cars and light commercial vehicles" as well as OpEx from taxonomy-eligible activities "4.16 Installation and operation of electric heat pumps" and "6.4 Infrastructure for personal mobility, cycle logistics". The taxonomy eligibility is therefore given for these activities and subsequently the taxonomy alignment of the economic activities was checked.

The KPIs for taxonomy-eligible turnover, capital expenditure and operating expenditure can be found in the table in the annex.

#### Substantial contribution

LPKF develops, produces and distributes machines for the production of thin-film solar modules. The company thus fulfills the criteria for a substantial contribution of activity 3.1 and contributes to the first environmental goal "Climate change mitigation". This is an enabling activity. Activity 7.6 also fulfills the criteria for a substantial contribution by installing a photovoltaic system at the Naklo site. Similarly, the part of the vehicle fleet consisting of e-vehicles and hybrid vehicles also meets the criteria of substantial contribution to economic activity 6.5. and the offer of job bicycles for employees at the Garbsen site meets the criteria of substantial contribution to activity "6.4 Operation of devices for personal mobility, bicycle traffic logistics". No substantial contribution could be demonstrated for activity "4.16 Installation and operation of electric heat pumps". Therefore, conformity cannot be achieved.

#### Do no significant harm

It must be checked whether the economic activities, in addition to fulfilling the substantial contribution, do not negatively affect the other five environmental goals. For this purpose, the production sites Garbsen, Fuerth, Suhl and Naklo were integrated into the assessment, as the relevant economic activities according to the EU Taxonomy Regulation are currently located at these sites. For the activities "6.4 Infrastructure for personal mobility, cycle logistics" and "6.5 Transport by motorbikes, passenger cars and light commercial vehicles", no alignment with the DNSH criteria can be demonstrated due to the lack of data availability by the providers. For the activities "3.1 Production of renewable energy technologies" and "7.6 Installation, maintenance and repair of renewable energy technologies", the compliance with the DNSH criteria can be demonstrated below. The DNSH criteria for the activity 7.6 only refer to the necessary assessment of Annex I, Appendix A, adaptation to climate change.

### Climate change adaptation

Regarding the objective, the physical climate change impacts on activities 3.1 and 7.6 were assessed for the sites in Suhl, Garbsen, Fuerth and Naklo in accordance with Annex I, Appendix A of Delegated Regulation EU 2021/2139. A detailed assessment of chronic and acute climate risks was undertaken, taking into account various climate scenarios. The current situation and future scenarios (up to RCP8.5) for the years 2030, 2040, 2050 and 2100 were considered. The climate risk and vulnerability assessment did not identify the economic activities to be at risk.

### Sustainable use and protection of water and marine resources:

To ensure compliance with the DNSH criteria to sustainable use and protection of water and marine resources, an assessment was done in accordance with EU 2000/60/EC as set out in the Annex I, Appendix B of Delegated Regulation EU 2021/2139. For this purpose, the following aspects were assessed:

- 1) Water intensity
- 2) Water scarcity
- 3) Dealing with risks of environmental damages related to water.

In addition, the criteria specified in Appendix B mainly relate to legal requirements to which LPKF is obliged. Current official approvals and certification of our environmental management system according to ISO 14001 are available.

More information can be found in the chapter “2. Environmental information”.

### Transition to a circular economy:

Our products are designed for a long lifetime. This is achieved by easy maintenance as well as disassembly of the machines. In addition, our machines are recyclable. The use of secondary raw materials is possible. There is also a monetary residual value of the components at the end of their useful life. At any time, we could provide information on substances of concern and on the traceability of substances throughout the life cycle.

### Pollution prevention and control

LPKF does not use, manufacture or place on the market any of the substances of concern as listed in the Annex to the EU Taxonomy (Annex I Appendix C of Delegated Regulation EU 2021/2139). We also have a process for hazardous substances in place. Therefore, there are no indications that LPKF has or produces negative impacts on this environmental objective.

### Protection and restoration of biodiversity and ecosystems

LPKF has examined the affected sites and no indications were found. All buildings have been cleared by the authorities through permits regarding potential impacts on biodiversity and ecosystems. In addition, LPKF has done an assessment in accordance with Directive 2011/92/EU and checked the sites for biodiversity-sensitive areas. The sites are located in advertised industrial areas and the distances to biodiversity-sensitive areas did not give any indication that LPKF would cause any adverse effects.



### Minimum safeguards

Based on the final report of the EU expert group ("Platform on Sustainable Finance"), we have checked the core topics of human rights, corruption, taxation and fair competition for taxonomy alignment.

The audit covers the relevant stages of the value chain. This includes direct and indirect suppliers, the company's own business operations as well as customers and business partners. LPKF has installed various mechanisms within the company that reflect due diligence in line with the OECD recommendations for multinational companies. LPKF has implemented the following process:

#### 1) Embedding responsible business conduct into policies and management systems

The topics of human and labour rights, fair competition, anti-corruption and taxation are integrated into existing guidelines and processes. These include, for example, the LPKF Supplier Code of Conduct and the Sustainability Guideline.

#### 2) Identification and assessment of adverse impacts

The value chain is analyzed on a risk basis and appropriate and corresponding risk analysis have been done in this regard. This concerns, for example, the supply chain.

#### 3) Measures to cease, prevent and mitigate adverse impacts.

Identified risks are addressed through appropriate measures. Measures include, for example, internal and external audits as well as direct coordination with suppliers.

#### 4) Tracking implementation and results

A tool is used to record, assign and monitor the specific measures.

#### 5) Communicating how impacts are addressed

In its non-financial report and through the website, LPKF communicates the management of the core areas of minimum safeguards mentioned here, which also include human and labor rights.

#### 6) Taking remedial action

LPKF has installed a whistleblower system, and a confidential lawyer of confidence is available as an external reporting channel. If an incident becomes known, individual measures are taken to remedy the situation. There were no incidents in the reporting year.

There are no indications that LPKF is in breach of the minimum safeguard requirements under Article 18 of the EU taxonomy. LPKF reports on all sub-areas in this sustainability report and refers to the relevant bodies (see chapter "General information", "Environment", "Social" or "Corporate policy").

### 3.2 INFORMATION REGARDING EU TAXONOMY AS PER ARTICLE 8 OF THE EU TAXONOMY REGULATION

Previously, it was shown that the Solar business unit can be considered taxonomy-eligible in the first step and taxonomy-aligned in the second step. Based on the previous analysis, the necessary data on turnover, CapEx and OpEx were determined. The data was collected by the Controlling, Accounting and Treasury & Investor Relations departments. In addition to the economic activity from the solar sector, other taxonomy-aligned investments and operating expenditures were added that fulfil the criteria of the EU taxonomy.

The following are considered taxonomy-eligible according to the previous analysis:

- 1) 3.1 Manufacture of renewable energy technologies
- 2) 4.16 Installation and operation of electric heat pumps
- 3) 6.4 Infrastructure for personal mobility, cycle logistics
- 4) 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 5) 7.6 Installation, maintenance and repair of renewable energy technologies

Of which taxonomy aligned according to the previous analysis are:

- 1) 3.1 Manufacture of renewable energy technologies
- 2) 7.6 Installation, maintenance and repair of renewable energy technologies

The total turnover is derived from the reported value in the profit and loss account of the year concerned. For total capital expenditure (CapEx), the sum of all gross additions to tangible and intangible fixed assets is counted. Total operating expenditures (OpEx) are all direct, non-capitalized costs related to research & development, short-term leases, renovation measures and additionally costs for maintenance, repair and servicing. The numerator indicates the taxonomy-eligible or -aligned share of the KPIs. Screening was done at segment level and then at product level. The data was recorded in accordance with IFRS segment reporting in the SolarEquipment company and at Group level. In addition, line-item allocations were made for economic activities 4.16, 6.4, 6.5 and 7.6 in CapEx and OpEx. The denominator of the KPI corresponds to the figures from the financial reporting. The data was consolidated for the company in accordance with IFRS. Double counting was avoided by separating the shares at segment level for economic activity 3.1 and by line-item allocation for economic activities for 4.16, 6.4, 6.5 and 7.6.

As none of the economic activities described in EU Commission Delegated Regulation 2022/1214 were identified in the areas of nuclear energy and fossil gas, the reporting according to Annex XII of EU Commission Delegated Regulation 2021/2178 does not apply.

The table below clearly shows the proportions of taxonomy-eligible and -aligned activities. The full table, as required by the taxonomy reporting, can be found in the appendix.

Overview of the proportions of taxonomy-eligible and -aligned activities  
in TEUR

	2024	%	2023	%
<b>Turnover</b>				
Group	122,890	100%	124,337	100%
of which taxonomy-eligible	41,177	34%	39,062	31%
of which taxonomy-aligned	41,177	34%	39,062	31%
<b>OpEx</b>				
Group	18,495	100%	17,520	100%
of which taxonomy-eligible	3,737	20%	3,288	20%
of which taxonomy-aligned	3,511	20%	3,356	19%
<b>CapEx</b>				
Group	8,842	100%	8,558	100%
of which taxonomy-eligible	2,471	30%	2,047	24%
of which taxonomy-aligned	1,745	20%	1,511	18%

## 4 SOCIAL INFORMATION - OWN WORKFORCE

This chapter was created based on ESRS S1 "Own workforce".

### 4.1 POLICY

Material impacts, risks and opportunities and their interaction with strategy and business model

*Disclosure requirement in connection with ESRS 2 SBM-3*

LPKF's business model is based on the availability of qualified staff in all operational business units. Development and customer projects are technically demanding and often have to be completed within a tight time frame. This can lead to individual stress situations for employees. Overwork, especially of key staff, involves the risk of delays or quality problems in projects. For LPKF, this results in the risk of not achieving the set goal in the projects concerned, which can lead to lost revenue and reputational damage. All people who are part of our own workforce and affected by significant impacts are taken into account in the disclosures in accordance with ESRS 2.

At LPKF, employees include permanent employees and trainees. In addition, temporary workers and freelancers are brought in for temporary tasks, and students and vocational trainees are offered tasks as part of their training.

A positive impact on employees and LPKF will be achieved in the medium term through well-established health management and, as a result, potentially fewer sick days. This applies to the group of permanent employees and trainees.

Demographic change is resulting in negative impacts on EBIT for LPKF. This exacerbates the shortage of skilled workers, which has a direct negative impact on the company's business activities (for instance through loss of knowledge due to employee turnover in a research-intensive business environment).

There are no material risks or opportunities for the company arising from the impacts and dependencies in connection with its own workforce. Material impacts on the own workforce resulting from transition plans are stated or do not arise. There are no material risks relating to instances of forced labor or child labor.

LPKF partly bases its assessment of the risk to its own workforce on legal requirements such as an occupational safety-related workplace assessment (risk assessment). Important indications also stem from the continuous evaluation of overtime, which allows employees at greater risk of symptoms of overwork to be identified in good time. To enable employees to return to work after illness, an occupational reintegration management system has been set up.

The impacts on and dependencies of people in our own workforce do not present any material risks or opportunities relating to groups of people.

## 4.2 MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### *Disclosure requirement S1-1*

As part of its sustainability strategy, LPKF addresses impacts, risks and opportunities relating to its own workforce. The basic goal here is to provide the greatest possible protection for employees and ensure they stay at the company for as long as possible. This is converted into measurable targets and addressed to the relevant function holders in the company. The Audit, Risk and Sustainability Committee within the Supervisory Board is responsible for monitoring these targets. The policy refers to the entire workforce of the company and covers all geographical areas in which LPKF operates. The Management Board of LPKF SE is responsible for implementing the policy.

Processes and mechanisms for monitoring compliance with the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises have been implemented at LPKF, in particular through the formulation of its own compliance code and its own management principles. These apply to the entire Group and all members of our own workforce.

Cases of violations of human rights compliance, including employee rights, are referred to the Chief Compliance Officer at LPKF, who is responsible for investigating misconduct. The investigation is supported by a whistleblowing system.

LPKF's policy regarding its own workforce complies with relevant, internationally recognized instruments, including the United Nations Guiding Principles on Business and Human Rights. It is regularly examined by the specialist department.

The materiality analysis confirmed that the issues of human trafficking, forced labor and child labor have no material impact on LPKF's business model. Therefore, LPKF's sustainability strategy does not cover these issues. However, the Compliance Code contains further details regarding human rights due diligence.

LPKF has a management system for occupational safety and is certified according to DIN ISO 45001. No policy is specified.

In the LPKF Compliance Code, which has been in effect since 2017, all employees are required not to discriminate against anyone on the basis of race, ethnic origin, gender, religion, belief, disability, age or sexual identity.

There are no further obligations or support measures.

Within its sustainability strategy, LPKF has not yet issued any detailed requirements on the sustainability aspect "Own workforce". There are many individual measures that are set out in this section.

## Processes for engaging with own workforce and workers' representatives about impacts

### *Disclosure requirement S1-2*

All employees have the opportunity to actively shape company policy and sustainability issues, for example by submitting suggestions in the context of ideas management. The company's short-term and long-term targets as well as business development actions are made transparent to the entire workforce in quarterly staff meetings. These meetings actively provide an opportunity for issues and questions to be raised directly with the Management Board and to influence internal decision-making processes. An established system of annual employee performance appraisals provides an opportunity for structured exchanges as well as regular dialog between employees and executives. Operational responsibility for the involvement of employees lies with the Management Board. The CEO is responsible for this matter.

## Processes to remediate negative impacts and channels for own workforce to raise concerns

### *Disclosure requirement S1-3*

Along with the Chief Compliance Officer, the officers and compliance contacts for specific topics are instrumental in the approach to remediation in the event of significant negative impacts within our own workforce. All employees can contact these people directly with a concern, and LPKF also uses them to develop basic remediation measures. The evaluation of remediation measures is based on internal and external experiences with the respective measure. There are no plans for a formal evaluation at present.

The company has posted a list of the officers and their contact details on the intranet.

The procedures for handling complaints are geared towards the respective area of activity and the channel through which the complaint is made.

Both whistleblowing procedures are available to employees via the intranet and can be used easily via the IT provided.

The effectiveness of these channels is confirmed by their continued use and is also monitored through their inclusion in relevant audits.

Employees are informed about the compliance code, the officers and the whistleblowing system as part of their induction. Regular compliance training is provided at least once a year. At the quarterly employee meetings, there is the opportunity to pass comments directly to the Management Board.

LPKF believes that protection against retaliation is adequately provided by sufficient disclosure and documentation of cases as well as by the work of workers' representatives.

LPKF is in the process of shaping its sustainability strategy. First of all, the policy sets out overarching objectives. For our own workforce, the main goals of maximum protection of employees and ensuring that employees stay at the company for as long as possible have been set. For example, in the case of business-critical positions, an employee-induced turnover rate of 5% should not be exceeded. No specific actions have yet been developed

under this policy. There is no need for a comprehensive action plan here. The individual actions and goals defined in previous years, dealt with later in the report, therefore apply.

Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches

*Disclosure requirement S1-4*

The materiality analysis showed that LPKF has the greatest influence on its employees through good health management. This medium-term measure includes safety training in the handling of laser beams, hazardous substances and loads as well as strategies for risk minimization and prevention as a central element. In addition, LPKF also offers its employees preventive care services not directly related to their work, such as skin screenings and vaccinations. At irregular intervals, information events are held in cooperation with health insurance providers and professional associations, which cover topics such as stress reduction, nutrition and exercise. LPKF encourages its employees to take part in sports activities through the "LPKF moves you" program, which coordinates and promotes participation in sports-related events. In addition, access to gyms and the leasing of job bikes is offered at some sites.

LPKF monitors the effectiveness of these actions and initiatives based on the take-up of these offers and also reports on these actions.

The sickness rate and the number of accidents at work are important, regularly compiled KPIs for LPKF. However, these alone are not enough to make statements on the effectiveness of preventive measures for health management. Therefore, individual actions are defined every quarter and coordinated with the Management Board or the local management. They are monitored at the same intervals if the KPIs exceed certain limit values. In addition, the HR department provides managers with management summaries on special topics (for instance annual employee appraisals for identification of focal points).

In the double materiality analysis at LPKF, demographic change was identified as a material risk in relation to our own workforce. Due to demographic change, fewer skilled workers will be available in the labor market in the medium term. As a result, there may be too few workers available in the professions important to LPKF. As well as limiting LPKF's growth opportunities, such a shortage would also be likely to affect salaries and, through disproportionately high salary increases, have an adverse effect on future earnings.

LPKF is already responding to the emerging trend with actions to retain employees and develop high-potential staff. This is supported by an ongoing employee satisfaction survey ("Pulse Check").

At LPKF, the ongoing monitoring of overtime worked is one way of ensuring the prevention of negative impacts on our own workforce. This also includes investigating the causes and establishing staff reduction plans, with the involvement of employee representatives if applicable. In addition, LPKF regularly performs mandatory health checks for individual professional groups.

Health management and personnel development have permanent resources in the form of personnel and finance. Similarly, targeted programs such as "LPKF moves you" are already being taken into account in the planning for the financial year. LPKF has also contracted external resources such as a company doctor and legal counsel.

### 4.3 METRICS AND TARGETS

<b>Targets for "own workforce"</b>	<b>Previous connection with the sustainability strategy</b>	<b>Target level</b>	<b>Scope</b>	<b>Target for 2027</b>	<b>Actions</b>
Proportion of women at first management level (in %) LPKF SE	None	Company LPKF SE	Own ESCR	≥ 30	Staff development strategies (PoSy, employee appraisals, individual development plan, Jump, MDP)
Proportion of women at second management level (in %) LPKF SE	None	Company LPKF SE	Own ESCR	≥ 20	Staff development strategies (PoSy, employee appraisals, individual development plan, Jump, MDP)
Sickness rate (production sites) (in %)	Overall objective "Protection"	European sites	Own ESCR	< 7.2	Actions already described under S1-4
LTIFR rate (in %)	Overall objective "Protection"	European sites	Own ESCR	< 5	Actions already described under S1-4
Training days per employee	None	Group	Own ESCR	1.5	Training catalog, annual appraisals, target agreements with employees
Turnover rate (in %)	Overall objective "retention"	Group	Own ESCR	No target defined	

The targets each relate to a reporting year, and milestones and intermediate targets are not defined. The targets are not based on company-specific methods or material assumptions and are based on internal data sources.



Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities

*Disclosure requirement S1-5*

The company's targets in relation to its own workforce are devised and defined in conjunction with the specialist function and the Management Board. In most cases, measurement and attainment of the target value are carried out by the specialist function.

Tracking is done through key figures, which are collected every quarter and reported to the Management Board. If public targets are available, they are communicated via the existing channels.

The workforce and their representatives are informed, for example at staff meetings, about the lessons learned and experiences gained with the actions introduced by the company. For example, the experiences and findings from the latest "Pulse Check" employee survey are regularly shared.

Characteristics of the undertaking's employees

*Disclosure requirement S1-6*

**Table S1-6a: Presentation of the number of employees in countries where the company has at least 50 employees, representing at least 10% of its total number of employees**

	Gender	Number of employees (headcount)	Average number of employees during the reporting period
Germany		451	452.00
Slovenia	Male	69	69.17
Rest of the		73	68.58
Germany		138	137.75
Slovenia	Female	17	17.42
Rest of the		25	23.42
Germany		0	0.00
Slovenia	Divers*	0	0.00
Rest of the		0	0.00
Germany		0	0.00
Slovenia	Not specified	0	0.00
Rest of the		0	0.00
	Total employees	773	768.34

\*All details non-gender-specific

**Table S1-6b: Presentation of information on employees by contract type, broken down by gender (headcount)**

	Female	Male	Divers*	Not specified	Total
<b>Number of employees (headcount)</b>					
Germany	138	451	0	0	589
Slovenia	17	69	0	0	86
Rest of the world	25	73	0	0	98
<b>Number of permanent employees (headcount)</b>					
Germany	135	451	0	0	586
Slovenia	17	68	0	0	85
Rest of the world	21	64	0	0	85
<b>Number of temporary employees (headcount)</b>					
Germany	3	0	0	0	3
Slovenia	0	1	0	0	1
Rest of the world	4	9	0	0	13
<b>Number of employees without a fixed number of hours (headcount)</b>					
Germany	0	4	0	0	4
Slovenia	0	0	0	0	0
Rest of the world	0	0	0	0	0
<b>Number of full-time employees (headcount)</b>					
Germany	93	419	0	0	512
Slovenia	16	69	0	0	85
Rest of the world	21	74	0	0	95
<b>Number of part-time employees (headcount)</b>					
Germany	45	32	0	0	77
Slovenia	1	2	0	0	3
Rest of the world	2	1	0	0	3

\*All details non-gender-specific

During the reporting period, 73 employees left the company. The fluctuation rate is 9.5%.

The turnover rate in % is calculated from the ratio of the number of employees who left the company in the reporting period to the number of employees on average in the financial year.

The data is collected via a centrally coordinated survey by the HR department. The structure of the data is fixed in an Excel table. The HR department controls the process and then evaluates the data. Material information from this survey is provided to the Management Board on a quarterly basis.

The details are given as headcount.

This is as of the end of the reporting year, unless otherwise stated.

Details on personnel expenses for the metrics stated in accordance with ESRS S1 50 a can be found in the LPKF financial statements (Notes to the consolidated financial statements).

Diversity metrics

*Disclosure requirement S1-9*

The top management level at LPKF consists of the Management Board as well as the heads of the business units and the heads of the specialist functions. The granting of a power of attorney is not an indication of belonging to this level.

**Table S1-9a: Gender distribution at the top management level**

	Headcount	Percentage
Female	3	20.0%
Male	12	80. %
Divers	0	0.0%
Not specified	0	0.0%
<b>Total</b>	<b>15</b>	<b>100.0%</b>

Gender as indicated by the employees.

**Table S1-9b: Distribution of employees by age group**

	Headcount
Under 30 years	87
30-50 years	494
Over 50 years	192
<b>Total</b>	<b>773</b>

Adequate wages

*Disclosure requirement S1-10*

Each employee receives a wage that at least corresponds to or exceeds the applicable local minimum wage regulations.

Social protection

*Disclosure requirement S1-11*

LPKF employees receive social protection against loss of earnings at least at the level that is standard through public programs at the respective sites. In addition, LPKF grants additional protection, such as participation in a private pension program, which is also subsidized by the company. In addition, there is additional protection against industrial accidents at the production sites. There is social protection within parental leave.

Training and skills development metrics  
*Disclosure requirement S1-13*

**Table S1-13: Staff development and training**

	<b>Total number of employees who participated in regular performance and career development reviews</b>	<b>Percentage of employees who participated in regular performance and career development reviews</b>	<b>Average number of training hours</b>
Female	180	23.3%	10,7
Male	593	76.7%	11,4
Divers	0	0.0%	0,0
Total	773	100.0%	11,2

Gender as indicated by the employees.

Health and safety metrics  
*Disclosure requirement S1-14*

100% of the own workforce are covered by the company's health and safety management system on the basis of statutory requirements and/or recognized standards or guidelines.

The number of deaths due to work-related injuries or work-related illnesses was 0 in the reporting period.

During the reporting period, 5 reportable accidents at work (incl. commuting accidents) occurred. The rate of reportable occupational accidents was thus 3.3.

The number of days off due to accidents at work and work-related illnesses amounted to 115 days in the reporting period.

Incidents, complaints and severe human rights impacts  
*Disclosure requirement S1-17*

During the reporting period, no serious human rights incidents were reported in relation to the workforce or labor-related incidents of discrimination.

In this context, no fines, sanctions or compensation payments were incurred.

## 5 GOVERNANCE INFORMATION - BUSINESS CONDUCT

This chapter has been produced in line with ESRS G1 "Business conduct".

### 5.1 POLICY

LPKF Laser & Electronics SE is subject to strict national and international regulatory requirements. These requirements are implemented and monitored in the company on the basis of internal processes and guidelines. These processes and guidelines promote employee awareness of critical issues and create a corporate culture that is characterized by integrity.

The role of the administrative, management and supervisory bodies  
*Disclosure Requirement in connection with ESRS 2 GOV-1*

The role of the administrative and management bodies and the corresponding competency profiles are described in chapter "1. General Disclosures" of this sustainability report. Business conduct falls within the areas of responsibility of the two members of the Management Board (CFO: governance, compliance; CEO: policy). Within the Supervisory Board, both the Audit, Risk and ESG Committee and the Strategy Committee deal with governance and business conduct.

### 5.2 MANAGEMENT OF THE IMPACTS, RISKS AND OPPORTUNITIES ASSOCIATED WITH BUSINESS CONDUCT

As part of its sustainability strategy, LPKF also addresses impacts, risks and opportunities related to business conduct. The fundamental goal here is to ensure strict compliance with laws and regulations. As a result, the company aims to achieve zero material incidents across the entire Group on a sustained basis. This is implemented on the basis of a legal register, which includes all of the company's relevant business areas. The responsibility for monitoring this lies with the Audit, Risk and ESG Committee within the Supervisory Board. The policy covers the entire workforce in the company and all geographical areas in which LPKF operates. The Management Board of LPKF SE is responsible for implementing the policy.

Based on the materiality analysis in the area of business conduct regarding its business activities, LPKF has identified the topics of corporate culture, political engagement and the management of relationships with suppliers as material. At the same time, the company is aware of its great responsibility when it comes to combating corruption and bribery as well as protecting whistleblowers. For this reason, these topics are also reported on voluntarily. An overview of the relevant material IROs can be found in the section "The role of the administrative, management and supervisory bodies" of this sustainability report. Three financial effects (opportunities) in the area of business conduct have been identified as material. A description of the procedures for identifying material impacts, risks and opportunities can be found in section "1.4. Materiality Analysis" of this sustainability report.

The opportunities identified as material in the area of corporate governance have been integrated into the traditional opportunity management, where their (monetary) influence

is monitored. The company expects these three opportunities to have a positive impact on the business model and the value chain in the medium to long term. Actions are taken in the relevant specialist departments and are thus incorporated in the corporate strategy:

1. Opportunity: Positive impact on EBIT from the development of new markets with increasing sales figures resulting from new retail partnerships.  
Actions: Based on LPKF's values, Sales builds good relationships with dealers. "Partnership" is one of LPKF's core values.
2. Opportunity: Positive impact on EBIT from employer attractiveness and long-term employee retention due to an open corporate culture.  
Actions: Actions are described in the sections "Corporate Management" and "Corporate Culture". The aim of these actions is to ensure that employees feel comfortable at LPKF.
3. Opportunity: Positive impacts on EBIT through lobbying activities in relevant expert panels in order to establish standards and increase LPKF's visibility.  
Actions: Regular participation of LPKF employees in expert panels and discussions strengthens LPKF's position in the relevant markets and scientific disciplines. Membership in associations also addresses the interests of LPKF at the policy-making level.

## Business conduct policies and corporate culture

### *Disclosure Requirement G1-1*

#### **Corporate governance**

Good corporate governance is the key to the successful implementation of the corporate strategy. LPKF always observes its fundamental values and corporate guidelines in its daily decisions and its interactions with employees, customers, suppliers and other stakeholders. The LPKF mission statement is an integral part of the corporate strategy and is available to all employees throughout the Group. It includes the company's vision and the values by which LPKF works. Managers and employees are encouraged to observe these in their daily interactions with each other and when contacting customers or suppliers. The mission statement also forms the basis for the company's management principles. The CEO is responsible for the corporate strategy as well as the values and guidelines. With regard to corporate governance, LPKF follows the German Corporate Governance Code (Deutscher Corporate Governance Kodex).

#### **Compliance**

As a global company, LPKF has a responsibility towards its employees, customers, suppliers, shareholders and the public. This social responsibility requires LPKF to comply with applicable laws, respect core ethical values and act sustainably everywhere and at all times. This is reflected in the compliance system, which also covers the issues of corruption and bribery in line with the United Nations Convention against Corruption. The LPKF compliance code requires all employees to comply with applicable laws, to respect core ethical values and to act sustainably everywhere and at all times. It is provided in German or English to all employees when they start work at LPKF and can be viewed at any time in the company's

internal document management system. All employees throughout the group receive training on compliance issues every year. This online training is mandatory and is available in four languages. After completing the training, participants must pass a test, after which they receive a certificate. In addition, managers and employees whose work is related to the topic receive further subject-specific training (e.g. market abuse law - prohibition of insider trading or cybercrime). Functions that could come into increasing contact with the issues of corruption and bribery through their activities (e.g. Sales Back Office, the Management Board, managing directors of subsidiaries, Sales, Purchasing) are specifically named in the compliance training. The Chief Compliance Officer is available as a point of contact. Furthermore, points of contact for HR compliance issues as well as for certain subject areas (e.g. points of contact for data protection or for cases of sexual harassment) are appointed and announced. The Chief Financial Officer (CFO) is the board member responsible for creating the structural and organizational prerequisites for compliance management. The Chief Compliance Officer is responsible for establishing, developing and managing the compliance structure. If any case arises, the company management is informed anonymously by the Chief Compliance Officer, who is not subject to management's instructions, and, if necessary, involved in the follow-up of these cases and any resulting actions. A quarterly anonymized report is presented to the Management Board and the Supervisory Board in the course of the meetings of the Audit, Risk & ESG Committee. Internal auditing, which is performed by an international audit firm operating as a third-party service provider, also plays a key role in the compliance organization. The relevant audits are also used to update the internal control system.

In order to minimize compliance risks, the Management Board conducts a partial legal area analysis together with the Chief Compliance Officer once a year. The relevant legal areas are analyzed to determine the possible extent of any damage and the potential probability of occurrence, and priorities are then set. Suitable actions have to be derived from this analysis. In addition, a compliance risk inventory is carried out every two years. The compliance officers are asked by the Chief Compliance Officer using a questionnaire about any compliance incidents, current compliance and organizational issues as well as the implementation of any amendments to laws.

A legal register has been set up at LPKF's locations in Germany in order to implement and comply with applicable legal regulations.

### **Whistleblower management**

LPKF promotes an open corporate culture in which employees and external stakeholders can report concerns and violations of laws and company policies safely and confidentially. The risk management system allows potential risks to be identified at an early stage and appropriate actions to be taken. The employees' supervisor, the relevant management, the Works Council or the Chief Compliance Officer (whistleblower office) are available to receive reports on violations. In addition, an independent attorney has been appointed to provide the company with confidential legal counsel; they act as an external reporting channel to whom anonymous reports can be submitted. People outside the company can also use the whistleblower service or contact the attorney of confidence. Any cases that are reported are

handled individually by the Chief Compliance Officer, while the company management is informed anonymously if necessary. The protection of whistleblowers is ensured through the directive on whistleblower management and the whistleblower process. The Chief Compliance Officer has acquired the necessary expertise by completing a special training course on whistleblower management. Data protection and especially anonymity is ensured through restrictions on IT access when cases are processed. The whistleblower management system has been adapted to the legal requirements of the Hinweisgeberschutzgesetz (Whistleblower Protection Act).

### **Supply chain**

By signing the LPKF Code of Conduct, suppliers undertake to comply with the ten principles of the UN Global Compact and must also respect and ensure this along their entire supply chain. The supply chain is monitored by Purchasing using supplier evaluations and random supplier audits. The employees in the purchasing department have received training on the Lieferkettengesetz (Supply Chain Act).

### **Prevention of fraud and money laundering**

An internal certified money laundering officer ensures compliance with the legal requirements of the Geldwäschegesetz (Money Laundering Act) and the establishment of necessary organizational actions and processes. They also help to minimize risks such as fraud or terrorism financing. A check is carried out on the basis of specific risk aspects, which can be regional, for example, or may also lie in the initiation of business.

Annual recurrent online training is conducted within the LPKF Group on money laundering, know your customer, terrorism financing and fraud. In order to ensure sufficient awareness, employees are informed via the intranet or by e-mail about different incidents, specific procedures or special events in this area as needed.

### **Corporate culture**

LPKF attaches great importance to respectful interaction between employees. A new mission statement was jointly developed and introduced by the Management Board in the reporting year that provides employees with values and guidelines for their daily work and when dealing with colleagues, customers, suppliers and other stakeholders. New leadership principles that address how we interact with each other have also been established as a result.

An important part of the corporate culture at LPKF is employee involvement and transparent communication. Examples of this include:

- Employee surveys (quarterly "LPKF Pulse Check")
- Group-wide quarterly employee meetings ("All-hands Calls")
- Group-wide presentations on specialist topics by employees for employees ("LPKF Big Picture")
- Regular updates on topical issues on the intranet
- Idea management



- LPKF breakfast
- Community activities such as children's crafts, children's picnics, celebrations, sports events
- Community projects ("LPKF Moves You", Christmas gift campaign, donations)

The actions are evaluated based on the participation rates. In addition, the Pulse Check also serves to monitor the internal perception of the company in terms of the corporate culture and employee satisfaction.

#### Management of relationships with suppliers

*Disclosure Requirement G1-2*

##### **Payment practices**

LPKF monitors the days payable outstanding, which averaged 30 days in the reporting period when the discount terms and conditions were applied. The targeted credit term without a discount is 60 days. The company considers shorter payment terms, especially for smaller suppliers.

##### **Relationships with suppliers**

Long-term and sustainable cooperation forms the basis for high product quality, constant innovations, but also continuous improvement in the ESG area. More than 80% of the direct purchasing volume is conducted with suppliers who have already worked with LPKF for more than five years. Both annual forecast plans and master supply contracts as well as regular reviews conducted with suppliers are important actions for supporting the capacity planning of Tier 1 suppliers and other tiers accordingly. These actions also serve to optimize delivery times. If the market and supply situation allows, suppliers within a short distance of the production site are used so that long transport routes and the resulting long delivery times can be avoided.

The consolidation of requirements and the consequent reduction in complexity are being driven across all locations and support improved ESG monitoring.

Suppliers are categorized on an annual basis, with those classed as Preferred and Key suppliers favored for future business. This generates volume bundling and leverage effects. The categorization is updated in the course of the annual supplier evaluation and thus supports the strategic development of the LPKF supplier base.

Risks affecting the supply chain are managed and monitored as part of risk management. These include the risk of supply shortages and delays as well as rising costs along the supply chain. The procurement situation generally exerts a significant influence on the corporate strategy. LPKF can source most components from multiple suppliers. The supplier base has been gradually expanded to this end. There is close communication with suppliers in order to obtain information on potential supply shortages at an early stage and thus maintain a better planning horizon. In parallel to this, a concept for alternative components has been worked on in close cooperation with Research and Development in order to be able to avoid potential supply shortages. Benchmark analyses and price negotiations with suppliers are

used to guarantee competitiveness and price security. A monthly review of price trends compared with the previous year is conducted.

ESG criteria are taken into account in the selection and subsequent qualification of suppliers and also in the course of the annual supplier evaluation. This includes inquiries about greenhouse gas reduction programs, guidelines for improving environmental performance and responsible persons at the supplier.

LPKF expects its suppliers to act responsibly in terms of occupational safety, environmental protection, employee rights and the prevention of corruption. The terms and conditions of purchase require them to prohibit the use of forced and child labour and to comply with internationally recognized human and workers' rights as well as environmental standards and anti-corruption regulations. In response to the US Dodd-Frank Act, suppliers must rule out the use of "conflict minerals" in a self-disclosure statement. These requirements are additionally checked in the course of the ESG monitoring and the supplier evaluation.

Social issues can include inadequate working conditions at suppliers, which are, however, checked in accordance with the terms and conditions of purchase and confirmation that a code of conduct is in place before the business relationship is commenced. The further development of the social aspects of the ESG requirements is taken into account in the annual supplier evaluation. This also serves as motivation and an incentive for suppliers to give greater importance to the ESG requirements concerning social responsibility and sustainable action.

By signing the LPKF Code of Conduct, direct suppliers are also required to respect and ensure compliance with the ten principles of the UN Global Compact along their entire supply chain. The annual supplier evaluation also checks whether a signed Code of Conduct is in place. All Preferred and Key suppliers have signed the Code of Conduct, and LPKF additionally maintains contact with all other suppliers.

The ESG risk management and monitoring actions that are implemented in the LPKF supply chain enhance the transparency regarding compliance with LPKF's ESG requirements. The assessment of country risks was carried out on the basis of the OECD classification. In the course of the detailed ESG assessments conducted in the reporting year, 58% of the direct purchasing volume was assessed using the ESG questionnaire and reviewed using spot audits.<sup>7</sup>

In the reporting year, all of the Preferred and Key suppliers had signed the Code of Conduct and 97% of them underwent a detailed evaluation using the LPKF ESG questionnaire.<sup>7</sup>

#### Prevention and detection of corruption and bribery

##### *Disclosure Requirement G1-3*

Actions to prevent and detect corruption and bribery are an integral part of the compliance process. This is described in the section "Disclosure Requirement G1-1 - Business conduct policies and corporate culture".

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<sup>7</sup> Information unaudited

## Training

All employees and management bodies at LPKF Group-wide receive annual mandatory compliance training, which also covers the issues of corruption and bribery. Risk functions (Sales Back Office, the Management Board, managing directors of subsidiaries, Sales, Purchasing), managers, Management Board members, the Supervisory Board and all other employees are included in this. The training is conducted online. The contents of the training regarding corruption and bribery include:

- Definition and forms of bribery and corruption
- Guidelines at LPKF
- Case studies
- Points of contact

## 5.3 METRICS AND TARGETS

Metrics and targets related to anti-corruption and bribery as well as political influence and lobbying activities are detailed below.

The sustainability strategy defines strict compliance with laws and regulations as a fundamental goal of corporate policy. The target for significant incidents in the entire Group is therefore 0. The achievement of this goal is measured by the number of reports of violations.

### Incidents of corruption or bribery

#### *Disclosure Requirement G1-4*

There were no incidents of corruption in the reporting period. No significant fines or non-financial sanctions have been imposed on LPKF SE as a result of any failure to comply with laws and/or regulations.

### Political influence and lobbying activities

#### *Disclosure Requirement G1-5*

Legislative processes relevant to LPKF relate primarily to general provisions of commercial, civil and capital market law, the German Stock Corporation Act and tax law, occupational safety, labor and social legislation and requirements specific to product groups.

LPKF is not politically active itself and does not support any political parties. For this reason, a representative has not been appointed for lobbying activities. The CEO is in principle responsible for representing the company externally, while the CFO is responsible for legal matters. Individual employees or departments are involved in expert panels and industry associations. These associations also represent the interests of all of their members at a political level.

The company is a member of the following associations:

- BME - Bundesverband Materialwirtschaft, Einkauf und Logistik e.V.  
(Federal Association of Materials Management, Purchasing and Logistics)
- DGFP - Deutsche Gesellschaft für Personalführung e.V.  
(German Association for Human Resource Management)
- DIN - Deutsches Institut für Normung e.V. (German Institute for Standardization)
- Leibniz Universitätsgesellschaft Hannover e.V. (Leibniz University Association Hanover)
- Stifterverband für die Deutsche Wissenschaft (Association for the Promotion of German Science and Humanities)
- VDMA - Verband Deutscher Maschinen- und Anlagenbau e.V. (German Mechanical and Plant Engineering Association) • DIRK - Deutscher Investor Relations Verband e.V. (German Investor Relations Association) • UN Global Compact Netzwerk Deutschland e.V. (UN Global Compact Network Germany).

LPKF Laser & Electronics SE does not make any donations or provide any non-cash benefits to political parties or politicians or for political purposes.

LPKF Laser & Electronics SE is listed in the Transparency Register of the Federal Republic of Germany for data on beneficial owners under identification number 7700303224.

None of the administrative, management and supervisory bodies of LPKF SE held a comparable position in public administration (including at regulatory authorities) in the two years prior to their appointment.

## 6 INNOVATION AND DEVELOPMENT

This chapter covers a company-specific topic and has been structured in line with the reporting requirements of the ESRS 2 in order to adequately present the relevant sustainability aspects and company objectives.

### 6.1 GOVERNANCE

Responsibility for development at LPKF lies with the CEO. Development is divided into specific development departments for each individual business unit as well as a higher-level department for topics such as software, innovation management and funding. Those in charge of the respective departments all have a technical background.

To monitor and control research and development, regular reporting on the status of the projects is integrated into the development process. A steering committee is formed for each business unit and regularly receives information from the project managers about the status of the projects and new developments. The project itself is documented in "project folders", in which the impacts, risks and opportunities are also evaluated.

No direct incentive system has been set up in the Development department. However, inventor remuneration is paid on standard arm's-length terms.

### 6.2 POLICY

Research and development are hugely important to LPKF: innovations are a key factor in future capabilities and therefore in economic success. The main strategic goal of R&D activities is to attain, secure or extend innovation leadership in the respective fields. The company achieves this through innovative products with unique, patent-protected features. In addition to its own R&D activities, new processes and products are developed both in cooperation with universities and research institutes and in joint projects with industrial partners.

The LPKF product range is continually being reworked and overhauled on this basis: the company is keen to improve its performance and efficiency and reduce costs. LPKF avoids hazardous and regulated substances and analyzes the contribution of all individual components. This is where changing customer requirements play a major role here, especially with regard to sustainability and resource use.

Our ability to provide customers with long-term and future-proof products is a primary goal.

At the same time, LPKF aims to improve energy efficiency with each new generation of its systems.

### 6.3 MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

A description of the process for identifying and assessing the material impacts, risks and opportunities can be found in the "1. General information" chapter.

The materiality analysis has identified two opportunities that LPKF could materialize through product development. Firstly, new machines could enable new and more efficient processes for customers. Efficiency here means, for example, low energy consumption, which can also reduce associated emissions. Secondly, innovation allows us to tap into new markets and business areas. This contributes to the company's stability and its possible future growth.

As part of its sustainability strategy, LPKF also addresses impacts, risks and opportunities in relation to innovation and development. The fundamental goal is to prioritize sustainable product innovations, increase energy efficiency, reduce material requirements and increase the recyclability of the developed products. This is converted into measurable targets and addressed to the relevant office-holders in the company. The Audit, Risk and Sustainability Committee within the Supervisory Board is responsible for monitoring these targets.

The policy describes all R&D activities within the company and covers the European locations. The Management Board of LPKF SE is responsible for implementing the policy.

Key stakeholders for innovation are the customers, whom LPKF regularly involves in both idea generation and coordination processes for machine development.

The process-driven development and close networking of the development departments with sales and service are instrumental in bringing innovation to full fruition. The operational business units are primarily responsible for implementing development projects.

### 6.4 METRICS AND TARGETS

The reported actions should be completed within a maximum of three years.

At the outset of project developments, a budget is allocated to these by the steering committees. Overall, LPKF aims to use at least 10% of revenue for innovation.

In the reporting year, 212 employees worked in R&D. R&D expenses totaled EUR 17.4 million. Of this, EUR 4.5 million was capitalized as intangible assets and EUR 3.4 million was included in the income statement as development costs.

To assess the progression and effectiveness of the key IROs, LPKF uses the KPI "ratio of R&D expenses to revenue". This includes the labor and material costs of the cost centers assigned to development. Amortization arising from developments capitalized in accordance with IAS 38 is added. The value is reduced by the capitalizations made in the current financial year in accordance with IAS 38. Revenue corresponds to consolidated revenue in accordance with the consolidated financial statements based on IFRS.

Calculation is carried out by Group Controlling as part of the annual financial statements.

The fundamental goal of being able to offer customers future-proof products through sustainable product innovations has given rise to the goal of a high development share in relation to the Group's revenue performance.

Information on the measurement, nature and scope of this goal has already been provided under the actions. The goal covers the Group's financial year. There are no milestones or interim goals.

### R&D expenses

in EUR million	2024	2023	2022	2021	2020
R&D expenses*	17.4	16.7	16.5	13.3	11.0
in % of revenue	14.2	13.4	13.4	14.2	11.4
R&D employees	212	215	211	207	177

\* Current R&D expenses include amortization on capitalized development costs of EUR 3.4 million (previous year: EUR 4.2 million).

## 6.5 ACHIEVEMENTS IN THE REPORTING YEAR

In the Development segment, work on the new generation of the ProtoLaser family was intensified in the reporting year. The technological foundations were laid and product development was initiated. The revision of the ProtoLaser H4 was completed.

One focal point in the reporting year was the fundamental improvement of the CircuitPro RP system software. A host of new features were developed here, significantly improving quality and stability. Some of the specialized features are offered to customers as premium licenses.

The ARRALYZE product group addresses the biotech market and launched its first product, the "CellShepherd", in 2024. This is a machine for printing, analyzing and extracting live single cells. In the reporting year, development activities focused on the development of software and hardware features to enable the provision of innovative solutions for workflows in demand in the market.

In the Electronics SMT segment, new system variants and features for depaneling of printed circuit boards were developed with the second generation of the CuttingMaster family. In conjunction with extensions to automatic panel feeding, customer requirements for fully automated smart factories with MES and traceability can be fulfilled.

With the enhancement of the StencilLaser MicroCut-X, a system for cutting microapertures in wafer templates has been attained. The result is a new system generation in this segment with maximum precision and performance.

The LIDE product group developed various new features and performance improvements for the high-volume production of precision-structured glass over the past year. The requirements of a broad customer base in the semiconductor and display industry were taken into account here.

The Solar segment successfully commissioned systems for laser structuring of perovskite solar cells. Using the knowledge gained from production at the customer end, the structuring processes and system technology were enhanced.

To this end, the existing products underwent modularization, particularly for the Asian market. The aim was to leverage synergies and provide greater flexibility in order to meet the requirements of this key market for photovoltaics.

The LTP (laser transfer printing) product group worked on technologies for transferring IR-transparent inks. These include white or colored inks with a very low absorber content, which are much in demand in many target markets.

In the Welding segment, development of the specialized system for welding battery modules for electric cars was completed, and the first two systems of this type were delivered to the customer. Development of a new product line for welding two absorbing components was begun, and the first test systems were completed. In addition, the first modules of the restructured software landscape were completed.



## **English Translation of the German INDEPENDENT AUDITOR'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON THE SEPARATE NON-FINANCIAL GROUP REPORT**

To LPKF Laser & Electronics SE, Garbsen

### **Audit judgement**

We have conducted a limited assurance engagement on the Non-Financial Group Report of LPKF Laser & Electronics SE, Garbsen, ("Company") to comply with §§ 315b and 315c Handelsgesetzbuch ("HGB", German commercial code) including the disclosures included in this non-financial report to fulfil the requirements of Article 8 of Regulation (EU) 2020/852 (hereafter "non-financial report") for the year ended 31 December 2024.

Not in the scope of limited assurance engagement were information marked as unaudited in the sections: "Die Rolle der Verwaltungs-, Leitungs- und Aufsichtsorgane", "Einbeziehung der Nachhaltigkeitsbezogenen Leistungen in Anreizsysteme", "Treibhausgasemissionen (der Kategorien Scope 1, 2 und 3 sowie die THG-Gesamtemissionen)", "Management der Beziehungen zu Lieferanten" and reports by other auditors on audits of information contained in the non-financial report from sources in the value chain to which reference is made in the non-financial report.

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the non-financial report of the Company for the ended 31 December 2024 has not been prepared, in all material respects, in accordance with §§ 315b and 315c HGB and the requirements of Article 8 of Regulation (EU) 2020/852 as well as with the applicable criteria applied by the management board of the Company.

We do not express an audit opinion on the information marked as unaudited in the sections: "Die Rolle der Verwaltungs-, Leitungs- und Aufsichtsorgane", "Einbeziehung der Nachhaltigkeitsbezogenen Leistungen in Anreizsysteme", "Treibhausgasemissionen (der Kategorien Scope 1, 2 und 3 sowie die THG-Gesamtemissionen)", "Management der Beziehungen zu Lieferanten" and on the reports of other auditors on audits of information contained in the non-financial report from sources in the value chain to which reference is made in the non-financial report.

## **Basis for the audit opinion**

We conducted our audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "Auditor's responsibility".

We are independent of the Company in accordance with the European law and German commercial and professional law and we have fulfilled our other responsibilities in accordance with these requirements. Our firm applies quality assurance system requirements of the IDW quality management standard issued by the Institut der Wirtschaftsprüfer (IDW, Institute of Public Auditors in Germany): Requirements for Quality Management in the Auditing Practice (IDW QMS 1 (09.2022)) and the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

We do not express an audit opinion on the information marked as unaudited in the sections: "Die Rolle der Verwaltungs-, Leitungs- und Aufsichtsorgane", "Einbeziehung der Nachhaltigkeitsbezogenen Leistungen in Anreizsysteme", "Treibhausgasemissionen (der Kategorien Scope 1, 2 und 3 sowie die THG-Gesamtemissionen)", "Management der Beziehungen zu Lieferanten" and on the reports of other auditors on audits of information contained in the non-financial report from sources in the value chain to which reference is made in the non-financial report.

## **Emphasis of matter - principles for the preparation of non-financial reports**

Without modifying our audit opinion, we draw attention to the disclosures in the non-financial report, which describe the principles for the preparation of the non-financial report. Accordingly, the Company has applied the European Standards for Sustainability Reporting (ESRS) to the extent specified in the section "ESRS 2 APPENDIX B: LIST OF DISCLOSURE REQUIREMENTS FROM THE MATERIALITY ANALYSIS" of the non-financial report.

## **Responsibilities of Management Board and the Supervisory Board for non-financial reporting**

The Management Board of the Company is responsible for the preparation of the non-financial report in accordance with the German and European regulation and for the applicable criteria. The Management is responsible for designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the non-financial report, in accordance with German and European regulation that is free from material misstatement, whether due to fraud or error.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the non-financial report as well as making assumptions and estimates and determining forward-looking information on the sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process of preparing the non-financial report.

## **Inherent limitations in the preparation of non-financial reporting**

The EU Taxonomy Regulation and the related delegated acts contain phrases and terms that are still subject to considerable interpretation, uncertainty and for which clarifications have not yet been issued. Accordingly, the Management provides their definitions and explanations of such phrases and terms in the "EU Taxonomy" section of the non-financial report. Management is responsible for the reasonableness of these phrases and terms. As such phrases and terms can be interpreted differently by regulators or courts, the legality of measurements or assessments of sustainability matters based on these interpretations is uncertain.

These inherent limitations also apply to the audit of non-financial reporting.

## **Auditor's responsibility**

Our objectives are to express a limited assurance conclusion based on our audit as to whether any matters come to our attention that cause us to believe that the non-financial report has not been prepared, in all material respects, in accordance with the relevant German legal and European requirements and the applicable criteria presented by the Management, and issue an auditor's report that includes our opinion on the non-financial report.

As part of an audit our limited assurance in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism.

In addition we:

- gain an understanding of the process implemented to prepare the non-financial report, including the double materiality assessment process performed by the Company to identify the disclosures to be reported in the non-financial report.
- identify and assess the risk of material misstatement, whether due to fraud or error, design and perform audit procedures responsive to those disclosures, and obtain limited assurance evidence to support our opinion. The risk of not a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusive interaction, forgery, intentional omissions, misrepresentations, or management override. In addition, the risk of not detecting a material misstatement of value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement value chain information from sources the control of the company, as both the company's management and we as auditors are generally subject to restrictions on direct access to sources of value chain information.
- assess the forward-looking information, including the appropriateness of the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking information.

### **Summary of the activities performed by the auditor**

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Information. The nature, timing and extent of procedures selected depend on professional judgment.

In conducting our limited assurance engagement, we performed amongst others the following audit procedures and other activities:

- evaluated the overall suitability of the criteria presented by the legal representatives in the non-financial report,
- Management and relevant employees involved in the preparation of the non-financial report were interviewed about the preparation process, including the double materiality assessment process carried out by the Company to identify the disclosures to be reported in the non-financial report, and about the internal controls relating to this process,
- evaluated the methods used by Management to prepare the non-financial report,
- assessed the reasonableness of the estimated values stated by the legal representatives and the related explanations,
- performed analytical audit procedures and interviews of relevant information in the non-financial report,
- reviewed the presentation of information in the non-financial report,
- reviewed the process for identifying taxonomy-eligible and taxonomy-compliant economic activities and the corresponding disclosures in non-financial reporting.

## **Restriction on the use of the endorsement**

This report is addressed to and intended solely to the Supervisory Board. We accept no responsibility in this respect towards third parties.

The engagement in the performance of which we the aforementioned services for the Supervisory Board of LPKF Laser & Electronics SE, Garbsen, was based on the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms) in the version dated 1 January 2024. By acknowledging and using the information contained in this note, each recipient confirms that they have taken note of the provisions contained therein and recognises their validity in relation to us.

Dortmund, 21 March 2025

Baker Tilly GmbH & Co KG  
Auditing company  
Düsseldorf

Marco Brokemper  
Certified Public Accountant

Dr. Dominic Sommerhoff  
Certified Public Accountant

## **APPENDIX**

	2024		Substantial Contribution Criteria							DNSH - Criteria ("Does Not Significantly Harm")							A.1.& A.2. <sup>1</sup>	Category enabling activity	Category Transi- tional activity
	Codes	Absolute turnover	Pro- portion of turnover	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	2023	E	T	
Economic activities				Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N				
A. Taxonomy eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	41,177	34%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	31%	E		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		41,177	34%	34%															
Thereof enabling activities			100%																
Thereof transitional activities			0%																
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)			0%																
Total A1 + A2		41,177	34%	34%															
B. Taxonomy non-eligible activities																			
Turnover of Taxonomy non-eligible activities (B)		81,713	66%																
Total A + B		122,890	100%																

<sup>1</sup>Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) turnover

Separate non-financial group report

**72**

CCM — climate change mitigation

### Taxonomy aligned:

Y — Yes, taxonomy-compliant activity that conforms to the relevant environmental objective

N — No, activity eligible for taxonomy but not taxonomy-compliant with the relevant environmental objective

N/EL — ,not eligible, activity not taxonomy-compliant for the relevant environmental objective

### Taxonomy- eligible:

EL — Activity eligible for taxonomy for the relevant objective.

N/EL Activity not eligible for taxonomy for the relevant objective.





CapEx of Taxonomy non-eligible

activities (B)		6,371	70%																
Total A + B		8,842	100%																

<sup>1</sup>Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) CapEx

CCM — climate change mitigation

**Taxonomy aligned:**

Y — Yes, taxonomy-compliant activity that conforms to the relevant environmental objective

N — No, activity eligible for taxonomy but not taxonomy-compliant with the relevant environmental objective

N/EL — ,not eligible, activity not taxonomy-compliant for the relevant environmental objective

**Taxonomy- eligible:**

EL — Activity eligible for taxonomy for the relevant objective.

N/EL Activity not eligible for taxonomy for the relevant objective.



<sup>1</sup>Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) OpEx

CCM — climate change mitigation

### Taxonomy aligned:

Y — Yes, taxonomy-compliant activity that conforms to the relevant environmental objective

N — No, activity eligible for taxonomy but not taxonomy-compliant with the relevant environmental objective

N/EL — ,not eligible, activity not taxonomy-compliant for the relevant environmental objective

### Taxonomy- eligible:

EL — Activity eligible for taxonomy for the relevant objective.

N/EL Activity not eligible for taxonomy for the relevant objective.

# LIST OF DISCLOSURE REQUIREMENTS FROM THE MATERIALITY ANALYSIS

The following table shows all ESRS disclosure requirements arising from ESRS 2 and the topic-related standards E1, S1 and G1. It also includes information on the company-specific standard “G2 – Innovation & Development.” Information on the topic-related standards E2, E3, E4, E5, S2, S3 and S4 was omitted because the topics addressed in these standards were below the materiality threshold in LPKF's materiality analysis.

Due to the chosen reporting option based on ESRS, individual ESRS data points in the chapters are only partially complete; this information is marked with an \*. The table also contains information on references to other parts of the management report.

Disclosure Requirement	page	reference
<b>ESRS 2 General Requirements</b>		
BP-1 General basis for preparation of the sustainability statement	4f	
BP-2* Disclosures in relation to specific circumstances	5	
GOV-1 The role of the administrative, management and supervisory bodies	6ff	Management Report: „Management and Control“
GOV-2 Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	6ff	
GOV-3 Integration of sustainability-related performance in incentive schemes	13f	
GOV-4 Statement on due diligence	15f	
GOV-5 Risk management and internal controls over sustainability reporting	17f	Management Report: „Risk report“
SBM-1 Strategy, business model and value chain	18ff	Management Report: „Group structure and business model“
SBM-2 Interests and views of stakeholders	20	

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	21f	Management Report: „Risk report“ „Report on opportunities“
IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	22ff	
IRO-2 Disclosure Requirements in ESRS covered by the undertaking’s sustainability statement	26, 77ff	
<b>ESRS E 1 Climate Change</b>		
E1-1* Transition plan for climate change mitigation	30	
E1-2* Policies related to climate change mitigation and adaptation	30	
E1-3* Actions and resources in relation to climate change policies	30	
E1-4* Targets related to climate change mitigation and adaptation	30f	
E1-5 Energy consumption and mix	31ff	
E1-6* Gross Scopes 1, 2, 3 and Total GHG emissions	33ff	
E1-7* GHG removals and GHG mitigation projects financed through carbon credits	36f	
MDR-P Policies adopted to manage material sustainability matters	30	
MDR-A Actions and resources in relation to material sustainability matters	30	
MDR-M Metrics in relation to material sustainability matters	30ff	
MDR-T Tracking effectiveness of policies and actions through targets	30f	
<b>ESRS S1 Own Workforce</b>		
S1-1 Policies related to own workforce	45	

S1-2		
Processes for engaging with own workforce and workers' representatives about impacts	46	
S1-3		
Processes to remediate negative impacts and channels for own workforce to raise concerns	46f	
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	47f	
S1-5		
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	49	
S1-6*		
Characteristics of the undertaking's employees	49f	
S1-9		
Diversity metrics	51	
S1-10		
Adequate wages	51	
S1-11		
Social protection	51	
S1-13		
Training and skills development	52	
S1-14*		
Health and safety	52	
S1-17*		
Incidents, complaints and severe human rights impacts	52	
MDR-P		
Policies adopted to manage material sustainability matters	44f	
MDR-A		
Actions and resources in relation to material sustainability matters	47f	
MDR-M		
Metrics in relation to material sustainability matters	48ff	
MDR-T		
Tracking effectiveness of policies and actions through targets	48f	
<b>ESRS G1 Business conduct</b>		
G1-1		
Business conduct policies and corporate culture	54ff	

G1-2 Management of relationships with suppliers	57f	
G1-3 Prevention and detection of corruption and bribery	58f	
G1-4 Incidents of corruption or bribery	59	
G1-5 Political influence and lobbying activities	59	
MDR-P Policies adopted to manage material sustainability matters	53ff	
MDR-A Actions and resources in relation to material sustainability matters	53ff	
MDR-M Metrics in relation to material sustainability matters	59f	
MDR-T Tracking effectiveness of policies and actions through targets	62	
<b>ESRS G2 Innovation &amp; Development</b>		
MDR-P Policies adopted to manage material sustainability matters	61f	
MDR-A Actions and resources in relation to material sustainability matters	62	
MDR-M Metrics in relation to material sustainability matters	62f	
MDR-T Tracking effectiveness of policies and actions through targets	62f	



## ESRS 2 NOTES B: LIST OF DISCLOSURE REQUIREMENTS FROM OTHER EU LEGISLATION

The following table provides an overview of the disclosure requirements that are related to other EU legislation. Only disclosure requirements from the relevant standards that are material to LPKF are taken into account.

<i>DR</i>	<i>DP</i>	<i>Description</i>	<i>SFDR refe- rence</i>	<i>Pillar 3 refe- rence</i>	<i>Benchmark regulation reference</i>	<i>EU Climate law refe- rence</i>	<i>Materia- lity</i>	<i>Page</i>
ESRS2 GOV-1	21 (d)	Gender diversity in management and supervisory bodies	x		x		x	9
ESRS2 GOV-1	21 (e)	Percentage of board members who are independent			x		x	6
ESRS2 GOV-4	30	Declaration of due diligence	x				x	15f
ESRS2 SBM-1	40 (d) i	Participation in activities related to fossil fuels	x	x	x			-
ESRS2 SBM-1	40 (d) ii	Participation in activities related to the production of chemicals	x		x			-
ESRS2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x			-
ESRS2 SBM-1	40 (d) iv	Participation in activities related to the cultivation and production of tobacco			x			-
ESRS E1-1	14	Transition plan for achieving climate neutrality by 2050				x	x	30
ESRS E1-1	16 (g)	Companies that are exempt from the Paris-aligned benchmarks		x	x		x	-
ESRS E1-4	34	GHG emission reduction targets	x	x	x		x	31
ESRS E1-5	38	Fossil fuel energy consumption, broken down by source (climate-intensive sectors only)	x				x	32
ESRS E1-5	37	Energy consumption and mix	x				x	32
ESRS E1-5	40-43	Energy intensity in relation to activities in climate-intensive sectors	x	x			x	33

ESRS E1-6	44	Total GHG emissions of categories scope 1, 2 and 3, as well as total GHG emissions	x	x	x	x	33ff
ESRS E1-6	53-55	Intensity of gross GHG emissions	x		x	x	35
ESRS E1-7	56	Removal of greenhouse gases and CO <sub>2</sub> certificates				x	36f
ESRS E1-9	66	Risk position of the benchmark portfolio with respect to climate-related physical risks			x		-
ESRS E1-9	66 (a); 66 (c)	Breakdown of cash amounts by acute and chronic physical risk location where significant assets with significant physical risk are located		x			-
ESRS E1-9	67 (c)	Breakdown of the book value of his properties by energy efficiency class		x			-
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		-
ESRS2 SBM3- S1	14 (f)	Risk of forced labor	x			x	-
ESRS2 - SBM3 - S1	14 (g)	Child labor	x			x	-
ESRS S1-1	20	Commitments in the field of human rights policy	x			x	-
ESRS S1-1	21	Due diligence requirements regarding issues addressed in the fundamental principles  Conventions 1 to 8 of the International Labour Organization  Work organization will be addressed			x	x	-
ESRS S1-1	22	Procedures and actions to combat human trafficking	x			x	-
ESRS S1-1	23	Concept or management system for the prevention of occupational accidents	x			x	45

ESRS S1-3	32 (c)	Handling of complaints	x		x	46f
ESRS S1-14	88 (b) & (c)	Number of deaths and number and rate of occupational accidents	x	x	x	52
ESRS S1-14	88 (e)	Number of days lost due to injuries, accidents, deaths or illnesses	x		x	52
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x	x		-
ESRS S1-16	97 (b)	Excessive remuneration of members of the governing bodies	x			-
ESRS S1-17	103 (a)	Cases of discrimination	x		x	52
ESRS S1-17	104 (a)	Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	x	x	x	45
ESRS G1-1	§10 (b)	United Nations Convention against Corruption	x		x	-
ESRS G1-1	§10 (d)	Protection of whistleblowers	x		x	55f
ESRS G1-4	§10 (d)	Fines for violations of anti- corruption and bribery regulations	x	x	x	59
ESRS G1-4	§24 (b)	Standards for combating corruption and bribery	x		x	59

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## Disclaimer

This non-financial consolidated report contains forward-looking statements that are based on the Management Board's current estimates and forecasts and on information currently available. These forward-looking statements should not be interpreted as guarantees of anticipated future developments and results. On the contrary, the future developments and results depend on a large number of risks and uncertainties and are based on assumptions that might not prove accurate. We are under no obligation to update these forward-looking statements. For mathematical reasons, rounding differences may occur in percentage figures and numbers in the tables, illustrations and texts contained in this report.

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