



*Ensinger GmbH • Financial year 2023/2024*

# *Sustainability report*

Ensinger 

Ensinger 



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# Introduction

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## About this report



We are pleased to present our third sustainability report in the form of a brief status report. In it, we focus primarily on the results and changes that occurred in the past financial year and in the current financial year. In the future, the rather informal report will be replaced by a presentation in accordance with the EU directive Corporate Social Responsibility Directive (CSRD).

The report is divided into four chapters. The first chapter, **Management**, addresses questions of organisation and thematic priorities surrounding sustainability.

A second chapter, **Environment**, is dedicated to questions of environmental and climate protection and the consumption of resources. Finally, **social** issues relating to employees and social commitment are discussed under Social issues. The **Governance** section presents ethical and legal issues in the context of corporate management.

The reporting period refers to the Group's financial year, which differs from the calendar year (April 2023 to March 2024, "FY2024" or "2024" for short). Data from the internationally active Group is used for information on environmental impact and occupational safety, while data from the German plants is used for the other areas. Information on the reporting standards used can be found in the Notes under (1).

This short report has a very different social context to the two previous ones. We are living in a time in which the current political crises and the tense global economic situation are pushing the issue of sustainability into the background. The willingness of broad circles to seriously address the issue and take important precautions has declined significantly. Available resources have become scarcer in the current economic downturn and ambitions have become more modest. These circumstances have made work in the company more difficult. Despite these difficulties, we are maintaining our commitment and working continuously on improvements. We are satisfied with what we have achieved, but of course there is still room for improvement at Ensinger, as everywhere else.

Developing the company towards sustainability is a multi-faceted and sometimes complicated task. It makes sense and creates motivation and commitment. Many employees and, above all, the core team have actively contributed to the results of the past year and helped our company move forward. There were a few hiccups, but the "bottom line" was that it was fun. A big thank you to all colleagues involved.

Nufringen, February 2025

Klaus Ensinger  
Head of Sustainability of the Ensinger Group



Overview

Risk management

# Sustainability

Materiality

Management system



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**Management**



## **Ensinger in brief**

The Ensinger Group specialises in the development, production and sale of compounds, semi-finished products, profiles and finished parts made from engineering plastics. The company uses a variety of processes to produce these sophisticated materials, in particular extrusion and injection moulding, but also mechanical processing methods, mould casting, sintering and pressing. With more than 2,500 employees at over 30 locations, the family-owned company is represented in all major industrial regions worldwide with production facilities or sales offices.

With its products, Ensinger supplies many industrial and commercial companies in high-growth sectors, in particular mechanical engineering, window and façade construction, medical technology, the automotive and aviation supply industries and electronics.

More information on the corporate strategy, vision and mission as well as the corporate values can be found in the [Sustainability Report FY2021/22](#) (p. 10 ff.) and on the company's website ([ensingerplastics.com](https://ensingerplastics.com)).

## **Sustainability and management system**

In a company, dozens of decisions are made in various places every day. However, in order to achieve measurable results, sustainability aspects must also be taken into account in these decisions. Otherwise, the results remain merely isolated actions. In the worst-case scenario, only image cultivation is carried out. Sustainability must therefore be anchored in the organisation at top management level. In addition, aspects of sustainability must be reflected in the management system, i.e. in process descriptions, in the target system, in projects and in key figures. Ensinger has comprehensively fulfilled this responsibility. Details on disciplinary responsibility and the organisation of the management system are listed under (2) in the [appendix](#).

## **Risk management**

Good corporate governance is also the result of management's responsible approach to risk. To this end, it has a system at Ensinger for managing the main risks. The divisions around the world draw up risk registers and revise them annually. A central committee evaluates the risk analyses and initiates measures. In the past financial year, the directories of the divisions were revised according to newly adjusted criteria and limited to fewer main risks. The action plans were adjusted accordingly. As part of the implementation of the German Supply Chain Due Diligence Act ([LkSG](#)), special attention was paid in the reporting year to human rights and environmental risks in the value chain.



## **Materiality**

The principle of materiality originates from Anglo-Saxon accounting and obliges us to address the issues that are material for reporting and to assess them as objectively as possible. In the context of sustainability, it is analysed which aspects of sustainability have an influence on the company (outside-in). For example, environmental regulations can have a profound impact on the business model. It also analyses how the company's actions affect the ecological, social and legal spheres of the environment. The company's actions are also analysed in terms of how they affect the ecological, social and legal spheres of the environment (inside-out), e.g. the extent to which emissions from the company and upstream suppliers contribute to global warming.

Such analyses should be influenced by the perspectives of those people and groups who have a connection to the company, the stakeholders. These primarily include customers and suppliers, employees, but also financing partners, owners and neighbours of the plants.

The Executive Board and Advisory Board maintain regular contact with these stakeholders and discuss which aspects of sustainability should be given particular consideration in planning. Four focal points have emerged from a prioritisation carried out two years ago.

- Completing the climate strategy
- Taking greater account of charitable concerns
- Adapting business strategies to changing challenges
- Establish compliance and risk management

These priorities were also addressed in the last financial year. Significant progress was made at all four levels.

With the introduction of sustainability reporting in accordance with the EU **CSRD** Directive, the materiality analysis has been expanded and formalised. This means that over one hundred sustainability aspects must be analysed in terms of their significance for the company before they can be prioritised. This prioritisation was still in progress at the time the report was written (see the relevant [section](#) under Governance).

**Energy policy**

**Climate protection**

**CO<sub>2</sub>**

**Recycling**

Biodiversity

Species protection

**Environmental  
protection**



**Environment**

# Environment

## Plastics and the environment

The debate about the impact of plastics on the environment has been ongoing since these materials began their triumphant advance in the modern world. While the image was initially very positive, these negative aspects are increasingly coming to the fore. Today, "plastic" has a negative connotation and this is understandable. Its persistence and mass distribution have led to microplastics polluting rivers and oceans on a massive scale and the accumulation of harmful substances. Plastics also contribute significantly to the accumulation of carbon dioxide in the atmosphere. Manufacturers and processors are therefore called upon to do their bit to minimise these problems.

## Environmental management

Ensinger regards the protection of the environment as an important part of its social responsibility. As set out in its environmental policy, the company endeavours to continuously reduce its ecological footprint and use raw materials, energy and drinking water as efficiently as possible. The **environmental management system** (ISO 14001) was introduced in the 2010 financial year and the **energy management system** (ISO 50001) in 2012 and has been further developed since then. At its centre, teams at the major plants analyse potentials for improvement and initiate measures. This has made it possible to continuously improve environmental and energy-related performance. **Life cycle assessments** have been prepared for the German plants since 2021 and for the entire Group since 2022.

## Consumption and savings. Energy.

In the past financial year, the Group's **total energy consumption** fell by around 13 % to 107 GWh. This development is mainly due to a decline in production volumes and relates to all energy sources. The proportion of electricity generated from **renewable energies** rose to 57 % (previous year: 50 %), which in turn is due to a higher proportion of renewable energies in the suppliers' electricity mix and the acquisition of guarantees of origin. The conclusion of a PPA (Power Purchase Agreement) for the purchase of newly installed wind power from the Heligoland North Sea has not yet had an impact in this period. **Energy-saving** measures led to record savings of 905 MWh in the past financial year (previous year: 501 MWh). Measures to reduce the consumption and leakage of compressed air and the use of modern ventilation technology in buildings and machinery were particularly successful. In order to reduce the consumption of **natural gas**, large heat pumps and battery storage systems are currently being installed in Nufringen. They allow waste heat from cooling water to be used to heat the buildings. The effects of these investments will not take full effect until the 2027 financial year.

### Ensinger Group: Information on resource consumption

Financial year		2022	2023	2024
Total energy consumption	MWh	136,230	123,280	106,714
Electricity consumption	MWh	103,957	93,664	76,597
Share from renewable energies	%	n.a.	50 %	57 %
Photovoltaics in the plants	MWh	834	1,295	1,351
Natural gas	MWh	28,119	24,661	21,385
Water consumption	m <sup>3</sup>	110,005	95,088	60,974
Waste generation	to	2,338	1,351	3,654
Recyclable materials	to	2,782	2,720	2,436

The Group's **water consumption** was reduced disproportionately to the production volume. At the Cham plant in particular, measures such as an optimised number of rinsing processes made it possible to significantly reduce consumption.



The majority of the **waste** generated in the company is directly related to the manufacture of products and the required equipment and tools. It mainly consists of plastic and metal leftover pieces and chips, damaged and soiled wooden pallets, cardboard and paper. The sharp decline in the previous year is due an incorrect accrual. In turn, the high figure for the 2024 financial year was impacted by the one-off effect of 700 tonnes of construction waste. The increase is also due to more precise data collection (300 tonnes). The amount of recyclable materials such as wood and cardboard that can be recycled remained more or less constant.

### **Plastic recycling**

The reuse of products and intermediate products is one of the most effective ways of reducing raw materials, energy and therefore CO<sub>2</sub> emissions. As a consequence, we are focusing our efforts on closing material cycles wherever this is technically and economically possible. Ensinger has extensive experience in the field of recycling. Meticulous incoming inspections and careful process management ensure that impurities are avoided and that the technical properties of the end product are as close as possible to those of virgin material.

The quantities of recycled materials in the company were also further increased last year. In the area of **semi-finished products**, the necessary technical and organisational precautions were taken to be able to recycle larger quantities of remnants and chips from customer returns. Appropriate take-back agreements were concluded with customers. Unfortunately, there is still a lack of cross-industry standards for the acceptance and transport of residual quantities, in which as many manufacturers as possible participate.

The **insulbar** profile division has already had a considerable proportion of recycled raw materials in its total production volume for years and has recently been able to significantly increase this proportion once again. The driving force behind this development is the **insulbar RE** product line based on 100 % recycled polyamide from industrial sources. With insulbar RE, the consumption of fossil fuels and CO<sub>2</sub> emissions are reduced by over 90 % compared to virgin material, which is confirmed by corresponding certificates, in particular with an Environmental Product Declaration (EPD). The processing of polyamide materials from **shredded old windows/doors and façades** is proving to be a real challenge. The aim is to close the industry's own material cycles. The project was launched almost two years ago with the aim of assessing its feasibility and has since yielded many findings. The time-consuming sorting of waste fractions was identified as a critical factor. It is essential that several different processes are linked to form a process cascade. Initial results and product samples are currently being presented to the public.

### **Life cycle assessment and Carbon Footprint<sup>1</sup>**

For the third time in a row, we have recorded and assessed the environmental impact of our activities in a Life Cycle Assessment (LCA<sup>2</sup>). It also includes a assessment of greenhouse gas emissions (GHG, Carbon Footprint). The Life Cycle Assessment is prepared in accordance with the principles of ISO 14040. The ecological scarcity method is used to analyse the environmental impact (LCIA<sup>3</sup>) (for more details, see [appendix](#) under (3)). The Carbon Footprint is prepared in accordance with the GHG standard<sup>4</sup>. Environmental data are taken from the Fifth Assessment report of the IPCC<sup>5</sup> and the ecoinvent environmental database. Further details on the system definition and the method of environmental accounting can be found in the first [Sustainability Report FY2021/22](#).



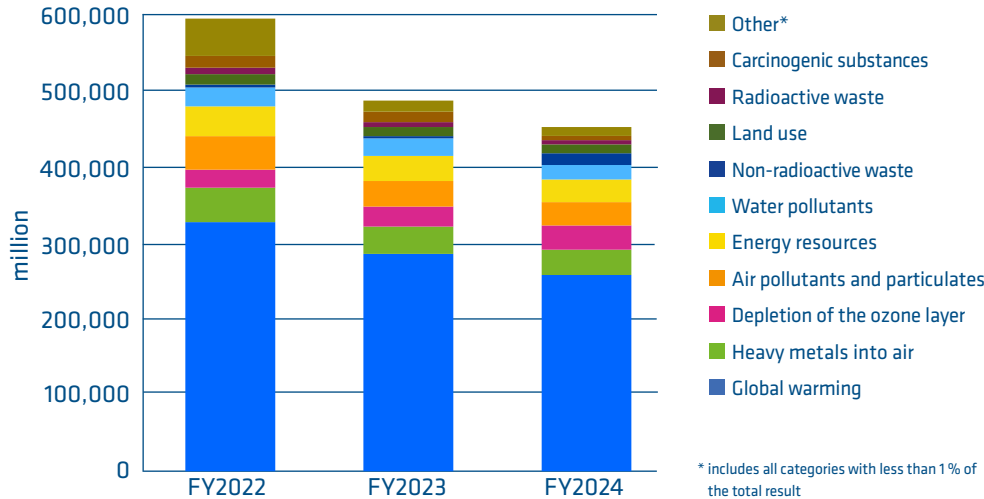
<sup>1</sup> In the following, CO<sub>2</sub> always also refers to the so-called CO<sub>2</sub> equivalents, i.e. greenhouse gases such as methane, which are also weighted and recorded in relation to their effect on global warming. This is why the notation "CO<sub>2</sub>eq" or CO<sub>2</sub>e is also used.

<sup>2</sup> Life Cycle Assessment <sup>3</sup> Life Cycle Impact Assessment <sup>4</sup> Greenhouse Gas Protocol <sup>5</sup> Intergovernmental Panel on Climate Change

# Environment

Group environmental footprint in environmental impact points by impact type for the last three financial years

Umweltbelastungs-  
punkte (UBP)



In addition to greenhouse gas emissions that contribute to global warming, other environmental impacts are also recorded in the life cycle assessment. These include pollution of the atmosphere with pollutants and particulate matter, the consumption of valuable resources and the generation of waste, some of which has to be disposed of at great expense. The various impacts are weighted according to their damage potential with so-called environmental impact points (Ecopoints) and finally totalled based on the quantities generated.

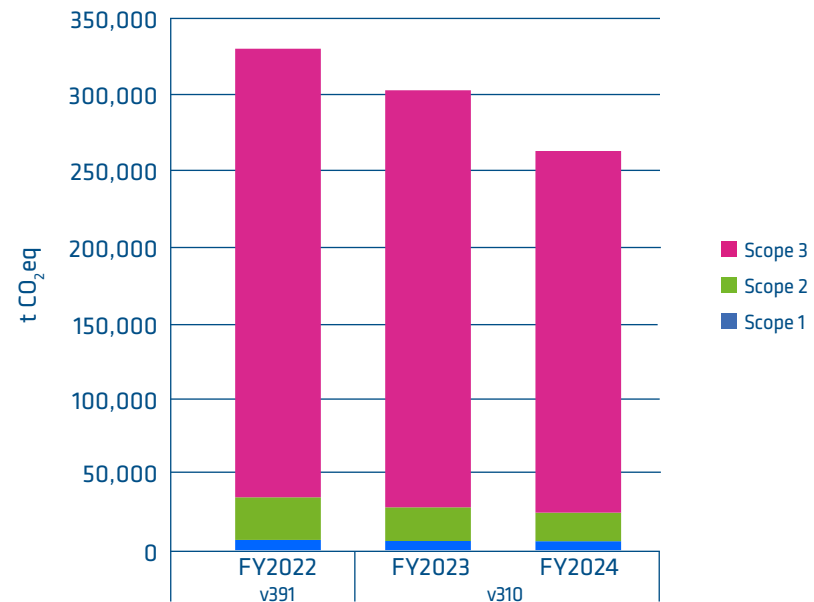
In addition to the production of plastics and auxiliary materials, the activities that cause this environmental pollution include in particular the production of electricity, natural gas and fuels.

As with the Carbon Footprint, the total environmental impact has fallen steadily over the years. This is due to the reduction in production volumes and the increased purchase of electricity from renewable sources as well as energy savings.

## Carbon Footprint. Scopes.

According to the GHG Protocol, the results of the Carbon Footprint are usually divided into three scopes. **Scope 1** stands for all emissions that result from the consumption of fossil fuels in the company's facilities - heating systems, ovens, company vehicles, etc. **Scope 2** includes emissions resulting from the generation of purchased electricity, primarily from coal and gas-fired power plants. Finally, **Scope 3** includes emissions from the upstream and downstream stages of the value chain, in particular from the production of purchased raw materials and their transport to the plants. This also includes the commuting of employees as well as the transport, use and disposal of the products sold. At the time of this report, Ensinger does not yet record any emissions from the downstream value chain, i.e. from the use and disposal of products. The available information and data are not yet meaningful enough. An exception to this is the transport of goods to customers.

Group greenhouse gas emissions in tonnes of CO<sub>2</sub> equivalents by scope for the last three financial years





At around 85 % of the total volume, Scope 3 activities generate the highest emissions. These in turn stem largely from the resources and energy used to produce the processed plastics (base polymers). Emissions also arise from the extraction and production of raw materials, transport processes and employee commuting. Emissions from the generation of electricity (Scope 2) play a smaller role, accounting for around 10 % of the total, as do emissions from the consumption of natural gas, heating oil and fuels at the sites (Scope 1), which account for around 5 %.

The significant decrease in emissions is attributable to several causes. The main causes in Scope 3 are declining production volumes in the economic recession and improvements due to measures taken by suppliers. Declining production volumes also play a role in Scope 2 and 1.

In Scope 2, the proportion of electricity from renewable energy has now increased to 57 % (previous year: 50 %), which in turn can be attributed to a higher proportion of renewable energy in the suppliers' electricity mix and the acquisition of guarantees of origin. In addition, results from energy-saving projects contributed to a small extent to the reduction in emissions. The conclusion of a contract for the purchase of electricity from newly installed North Sea wind turbines has not yet had an impact in this period.

The reduction in emissions is **in line with the reduction targets** that the company has set itself as a long-term goal and formulated in **accordance with the SBTi**.

#### **Reduction targets for emissions. SBTi.**

The advancing climate change requires comprehensive efforts from all social groups and, first and foremost, from the economy. Ensinger recognises its responsibility to make its contribution and aligns its efforts with international standards. When defining GHG reduction targets, we have committed ourselves to the Science Based Target initiative (SBTi) to aligning them with the requirements of the Paris Climate Agreement. The targets are based on scientific methods – hence the name – and are geared towards the criterion of reducing global warming to 1.5° or well below 2° Celsius.

Specifically, Ensinger has committed to reducing emissions in all areas (Scope 1 to 3) by 45 % by 2031 (base year 2022). By the year 2041 emissions from Scope 1 and 2 are to be reduced by over 90 % and emissions from Scope 3 by 2046, meaning that the company will have achieved its net zero target<sup>6</sup> by this time.

The SBTi validated and recognised this objective in December 2023.

#### **Biodiversity**

The overbuilding of commercial areas with buildings, roads and car parks seals and hinders valuable soil formation and even water infiltration. We do our utmost to minimise and compensate for sealing. Where possible, sealed surfaces are partially opened up to allow rainwater to seep away. Green spaces will be ecologically enhanced with wild meadows and native plants. We will participate in compensatory measures by local authorities and nature conservation organisations at all major sites. The opportunities to enlarge and wet wetlands appear particularly interesting.



<sup>6</sup> In contrast to the target state of climate neutrality, net zero requires a significant reduction in operational emissions without recourse to external compensation measures (CO<sub>2</sub> offsetting).

**Social concerns**

**Health protection**

**Working conditions**

# **Ethics**

**Equal pay**

**Justice**

**Participation**

**Charity**





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## Social affairs

## Social affairs

### Employee rights

Ensinger respects national labour rights and relevant ILO conventions, particularly with regard to working conditions, health and safety at work, fair pay, the prohibition of discrimination of any kind as well as information and participation rights.

### Representation of interests and Participation

In Germany, the Works Constitution Act regulates the participation rights of employees. Their interests are represented by the works council, the youth and trainee representatives and the representatives of severely disabled employees. Important participation issues include working hours, remuneration, occupational health and safety and other personnel matters. The company management is in regular dialogue with the employee representatives on all participation-related issues.

Other opportunities for participation and co-determination include freely accessible information events organised by the management ("Ensinger Compact"), regular information from managers, the intranet and the company suggestion scheme. Employees are kept up to date on aspects of sustainability via a newsletter.

### Corporate environment, culture and leadership

Our aim is to create a working environment that promotes the motivation and potential of our employees. Pay based on tasks and performance, flexible working time models and flexitime arrangements to improve the compatibility of family and work, as well as various social benefits play an important role. The focus is on an appreciative corporate culture. We strive for respectful interaction, short decision-making processes, flat hierarchies and the opportunity to show initiative. Cohesion and objective, goal-orientated cooperation are also important.

One indicator of employee satisfaction is unintentional fluctuation. At 3.9 %, this was higher than in previous years. Motivational aspects played a role, but in particular the severe shortage of skilled workers and the competitive labor market in the region.

### Ensinger Germany: Unwanted fluctuation

Financial year	2018	2019	2020	2021	2022	2023	2024
Unintentional fluctuation (%)	1.9	2.3	2.8	1.7	2.0	2.9	3.9

### Help with difficulties and crises

Employees who are experiencing personal or professional difficulties can obtain support from their HR business partners and works councils. Volunteer mentors within the company also offer their help. Finally, there is the option of making use of an external assistance program (Employee Assistance Program). A hotline can be used to put employees in touch with specialists (doctors, psychologists, lawyers, etc.). This service is free of charge for all employees and their family members and has been well received since it was set up.

The sickness rate at the German plants was in line with the long-term average.

### Ensinger Germany: Sickness rate

Financial year	2018	2019	2020	2021	2022	2023	2024
Sickness rate (%)	5.5	5.5	6.6	5.4	6.9	7.6	6.4

### Occupational health and safety

In any industrial or commercial environment, the health of the workforce is exposed to risks. In the production environment of a plastics processor, it is in particular the possible contact with hot surfaces of products and tools, the handling of heavy objects, contact with sharp edges and burrs as well as night work that can affect the health of the people involved. Ensinger's safety concept is suitable for effectively countering these hazards. The work of occupational safety specialists and departmental safety officers takes centre stage. Together with the employees on site, they analyse potential hazards and draw up protection concepts. Root cause analyses and instructions following incidents are further important components of the safety concept. Occupational **safety management** was first certified in accordance with BS OH-SAS 18001 in 2013 and ISO 45001 for the first time in 2019. The company's **shift models** are geared towards occupational health requirements. Work is



carried out in 4 or 5 shifts in fully continuous shift operation. Occupational physicians provide medical care for the workforce, offer vaccinations and provide information on various health issues.

In recent years, a comprehensive **fire protection concept** has helped to further reduce the latent risks of a fire breaking out. It focuses on risk analyses and fire protection training with evacuation exercises, which are carried out in close cooperation with the local fire departments.

#### Ensinger Group: Key figures on occupational safety

Financial year	2022	2023	2024
Number of reportable accidents <sup>7</sup>	69	59	77
Rate of reportable accidents	2.7	2.5	3.4
Fire alarm with fire brigade intervention	7	4	9

The number of reportable accidents increased from 59 in the previous year to 77. This led to an increased rate of reportable accidents (RIR) of over 3. This development is unpleasant, but must be seen in relation to the severity of the reported accidents. Minor incidents were particularly common, which can also be seen from the fact that the number of days lost due to incidents fell by around 25 % compared to the previous year. The number of fire alarms also increased, but this was primarily due to false alarms. A fire at the Brazil plant caused by spontaneous combustion was extinguished by employees as soon as it started. The cause of the fire has been recognised and preventive measures have been initiated.

#### Equal opportunities

Giving all company employees equal opportunities requires efforts at various levels. Firstly, it should be possible for everyone to fulfil their professional duties alongside their role in the private sphere, particularly within the family, without significant restrictions. To this end, the company offers extensive flexible working time arrangements and, where possible, mobile working from home. Equal opportunities also refer to the possibility of further professional development. In addition to good training and development programmes, employees should also be able to apply internally and take on more advanced tasks.

The ratio of successful internal applications to the total number of positions offered fluctuates greatly, but shows that it is still possible to offer a significant number of employees the opportunity to move within the company.

#### Ensinger Germany: quota of internal appointments to vacant positions

Financial year	2018	2019	2020	2021	2022	2023	2024
Rate of internal appointments (%)	n.a.	n.a.	51	32	24	29	34

Finally, all employees should be given access to positions at all hierarchical levels, regardless of gender, age or origin. The company attaches particular importance to increasing the proportion of women and giving them access to management positions. Unfortunately, in an industrial environment characterised by technology this endeavour often fails due to a lack of available internal and external female candidates. In the reporting year, the proportion of women at senior management level (up to and including second management level) remained stable, while at department management level it rose slightly to 10 %. The proportion of women in the overall workforce has remained constant over the last six years.

#### Ensinger Germany: Proportion of women in the workforce at management level and overall

Financial year	2019	2020	2021	2022	2023	2024
Proportion of women at senior management level (%)	-	n.a.	0	14	15	14
Proportion of women at head of department level (%)	-	n.a.	11	8	8	10
Proportion of women in the workforce (%)	20.3	19.9	19.3	19.8	19.8	20.1

<sup>7</sup>An accident that must be reported is an accident that has occurred during an insured activity during working hours on the company premises and results in a period of absence of more than three calendar days. The day of the accident is not counted.

## Social affairs

### Training and further education

Ensinger attaches great importance to in-house training. The company therefore began training young people in primarily technical professions at an early stage. To this day, the focus is on the four-year training program for tool makers and plastics technologists. The training program has been constantly expanded over the years. Apprentices who have completed their training are generally taken on. The number of applications for certain apprenticeships and the internal demand for junior staff fluctuate over time. In the reporting year, 66 people were trained at the locations in 14 training occupations.

#### Ensinger Germany: Number of trainees, trainee ratio

Financial year	2018	2019	2020	2021	2022	2023	2024
Number of trainees	59	69	72	67	62	64	66
Training quota (%)	4.4	4.9	5.1	4.9	4.4	4.3	4.5

The opportunity to acquire knowledge for new tasks and personal development should also be available to all employees. Regular planning of **further training measures** helps to allocate the appropriate resources and the necessary time for further training. Key figures for this effort – costs and number of days invested in training in total and per employee – will be collected annually in future as soon as the data is available via the corresponding software that is currently being introduced.

The training program for **managers** has been revised and expanded in view of the great importance of good employee management. Participants now have the opportunity to discuss their impressions and experiences with a member of management or a divisional manager. In addition, the content of the training program is now much more tailored to the individual target groups and management roles at Ensinger.

### Commitment to the common good

The company's charitable commitment to society is an important concern for management and employees. The company's commitment is multifaceted. The focus is on supporting the Wilfried and Martha Ensinger Foundation, which promotes social, scientific and cultural projects. However, direct support is also given to associations and initiatives in the communities surrounding the plants. The company enables the voluntary participation of employees in chamber committees and in higher education. Ensinger was honored as a volunteer-friendly employer in civil protection. The award is presented annually by the state of Baden-Württemberg to companies that support their employees in carrying out voluntary work in civil defense. This enables employees to go into action immediately in the event of an emergency, for example.



Carolin Heisterkamp accepted Ensinger's award as a volunteer-friendly employer from Baden-Württemberg's Minister of the Interior Thomas Strobl at a ceremony on 20 November 2024. In the picture (from left to right): Minister Thomas Strobl, Sabine Kurtz, Carolin Heisterkamp, Mayor Welte (Municipality of Nufringen)



### **Commitment in Kenya**

African countries such as Kenya still lack essential prerequisites for a flourishing manufacturing industry. In addition to many other factors, this includes above all practical industrial training. We are making a contribution to this and have launched an initiative ("Ensinger Africa Academy") for this purpose. In co-operation with vocational schools and employees, training courses are designed and teachers are trained on processing machines. In the future, we want to join forces with other companies and training organisations in a network and create the basis for a training course. We also want to work with other companies to find ways and means of transferring a higher proportion of added value to Kenya, particularly for the supply of spare parts and operating resources to production companies. This in turn should stimulate greater demand for semi-finished products made of metals and plastics and thus contribute to the development of a market for components.



Launch of the Africa Academy training initiative in Nairobi, Kenya

### **Due to current events: Floods in Rio Grande do Sul (Brazil)**

Towards the end of April 2024, the Brazilian state of Rio Grande do Sul experienced widespread flooding and the worst flooding in living memory. Vast swathes of land and countless streets and settlements were flooded. In many houses, the water was up to the ceiling of the ground floor. Half a million people had to leave their homes and more than 140 people lost their lives. Our plant in São Leopoldo, near the city of Porto Alegre, was spared from the masses of water but many employees lost their belongings. Our company, the Wilfried and Martha Ensinger Foundation and many colleagues from Brazil, the USA and Germany donated almost USD 40,000 to help repair the damage caused. The events are an impressive example of the extent to which climate-related risks can affect the economic activity of companies.



Aerial view of the flooded neighbourhood of Navegantes in Porto Alegre

### *Wilfried and Martha Ensinger Foundation*



The Wilfried and Martha Ensinger Foundation plans and organises the main charitable projects for the company and the owning family. Its activities focus on social projects in Africa (Nigeria), Eastern Europe (Ukraine) and India. It also supports medical research at German universities and cultural projects in southern Germany. In the social projects, the Foundation works closely with local cooperation partners. The projects are supported over many years in order to achieve a lasting improvement.

### ***New focus on medicine: Rare diseases. Alliance4Rare.***

We speak of rare diseases when only between two and five thousand people are affected. Around 8,000 rare diseases are known worldwide and the number is growing. The diseases can be genetic, infectious or environmental in nature. Many rare diseases begin in childhood, some develop later. They are often life-threatening or chronic and have a significant impact on the quality of life of those affected. Because they have not been researched, treatment is often limited to alleviating the symptoms. However, much has been achieved in recent years. Thanks to efficient diagnostics, precise cell and gene therapy procedures and international co-operation between specialists, the causes of the disease can now be better understood and treated than ever before. It is not uncommon for valuable insights to be gained into the diagnosis and treatment of other diseases. An important institution for research into rare diseases in Germany is the Alliance4Rare, which was supported for the first time this year with a significant contribution from the Ensinger Foundation.

The Alliance4Rare is an alliance of charitable foundations, private donors and scientists and, for the first time, links research-strong paediatric and adolescent medicine institutions along a broadly coordinated research strategy for rare diseases<sup>8</sup>. Young scientists are investigating diseases that cause great suffering and for which there are promising diagnostic and therapeutic options.

<sup>8</sup> The Alliance4Rare is an initiative of the Eva Luise and Horst Köhler Foundation, which specialises in the treatment of rare diseases.



**Fair corporate governance**

**Compliance**

**Responsibility**

**Co-determination**

**Justice**

**Partnerships**

**Transparency**





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# Governance



Photo: freepik.com

### ***Behaviour in compliance with the law and guidelines***

For Ensinger, good corporate governance means acting responsibly and in accordance with the legal requirements of all countries and behaving with integrity in day-to-day business towards all stakeholders, in particular employees and business partners.

### ***Compliance and compliance management***

It is the task of the legal department to make all employees aware of the need for compliant behaviour and integrity, to publish internal guidelines, to train the necessary knowledge, to prevent compliance risks and to clarify breaches of the rules. The investigation of any irregularities and breaches of the law is an integral part of company reporting for the entire Group.

Until recently, the Group's compliance management had weaknesses, as a working group identified in autumn 2022. In addition to a compliance risk analysis, which allows the right priorities to be set, there was also a lack of audits to check the implementation of compliance-relevant measures. The compliance management system was also primarily focused on the German plants and did not include the subsidiaries enough.

The position of Head of Compliance was defined and filled in July 2023 in order to remedy these deficits and enable the system to be developed further. In the 2024 financial year, the focus was on compliance risk analysis, the establishment of a compliance organisation within the Ensinger Group and further sensitising employees to the topic of compliance.

As part of the compliance risk analysis, the compliance risks relevant to Ensinger were identified on the basis of interviews and appropriate risk minimisation measures were derived.

The compliance organisation was strengthened by establishing compliance officers in each subsidiary. The roles and responsibilities of the compliance officers have been defined. The compliance officers are regularly informed about relevant news and given the opportunity to share their experiences.

Employees were sensitised to the topic of compliance in various ways: Following initial information provided to employees by management, a compliance intranet presence was created and the compliance website was completely revised. In addition, a compliance e-mail address was established and the anonymous whistleblower system was expanded to include additional languages. Rules of procedure describing the whistleblower system were drawn up.

Finally, a monitoring system was also set up to provide an overview of various compliance activities (e.g. number of employees trained, number of communication measures implemented).

In the current 2025 financial year, the focus will be on creating relevant compliance guidelines and revising the Code of Conduct. In addition, compliance training will be offered worldwide in future.



### **Code of Conduct**

All Group employees are required to comply with ethical standards in the internal guidelines, in particular the Code of Conduct. Explicitly prohibited are any form of bribery, corruption or antitrust agreements. Ensinger also undertakes in its Code of Conduct to respect human rights at all sites. People are to be treated with respect and tolerance. Appropriate remuneration, equal opportunities and fair working conditions must be guaranteed. Forced labour and child labour are prohibited. National guidelines and relevant ILO conventions apply.

### **Whistleblowing**

A whistleblowing hotline has now been set up by a specialised provider to give employees and external third parties the opportunity to anonymously report violations of the law, criminal offences, discriminatory behaviour and other actions that contravene the company's Code of Conduct. Information provided by employees is reviewed by external experts and forwarded to the company's management and legal counsel with an assessment and recommendations.

### **Suppliers – Supply chains**

Ensinger has been subject to the scope of the German Supply Chain Due Diligence Act (LkSG) since 1 January 2024. The aim of this act is to ensure that human rights and environmental due diligence obligations are appropriately observed in supply chains with the aim of preventing or minimising such risks and putting an end to corresponding breaches of duty.

The project team tasked with implementing the LkSG has set up a risk management system for compliance with due diligence obligations and determined who is responsible for monitoring the system within the company. For the first time, a risk analysis was carried out within the company and at its direct suppliers to ensure that Ensinger can act proactively and recognise human rights and environmental risks at an early stage. The EcoVadis sustainability platform is used to carry out the risk analysis and manage the ongoing dialogue with suppliers. Preventive measures, such as training on the LkSG, have been established both within the company and with direct suppliers. Additional languages were added to the existing complaints procedure. The necessary rules of procedure for this are available on the website. The management has issued a policy statement on its human rights strategy, which is available on Ensinger's website. All measures taken have been documented.

A report on the fulfilment of due diligence obligations in the previous financial year must be prepared annually. Once the report has been finalised, it will also be published on Ensinger's website.

### **Political influence**

Ensinger supports the interests of small and medium-sized businesses and is an active member of the local Chamber of Industry and Commerce. The company is also a member of interest groups in the plastics industry. The most important of these are the Gesamtverband kunststoffverarbeitende Industrie (GKV) and the European Plastics Converters (EuPC). No lobbying activities were promoted separately or outside of these associations and no political initiatives or parties were supported.

### **Incentive systems**

Ensinger uses relatively few financial incentives that establish a link between specific targets and the remuneration of employees. The aim is to avoid a one-sided focus on targets with monetary incentives. This also applies to targets and measures relating to sustainable behaviour.



## Governance

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### **Reporting. CSRD.**

Ensinger is committed to a transparent presentation of all key aspects of sustainability. Regular dialogue on sustainability issues takes place with key stakeholders. In addition to the sustainability report, newsletters are published and presentations are held.

From the current financial year 2025, the Ensinger Group is obliged to prepare an amended sustainability report in accordance with the European Parliament's EU 2022/2464 Corporate Sustainability Reporting Directive (**CSRD**). This will be an integral part of the Group management report (so-called non-financial report). A cross-departmental project team is currently carrying out the so-called "double materiality analysis", in which more than one hundred "aspects" of sustainability (sustainability matters) are analysed in an ESG context. For each topic, it is analysed whether the Ensinger Group has a positive or negative impact on the environment and people in the respective context ("inside-out") and whether the topic in question results in financial risks and opportunities for Ensinger ("outside-in"). Finally, an assessment is made as to which topics are material for the Group and therefore reportable. Key figures and supplementary information are derived for the material sustainability aspects and a Group-wide reporting system is set up in standard data formats. Specialised software is being set up for operational reporting. In addition, the project team is preparing for the reporting obligations under the **EU taxonomy** (so-called "taxonomy ratios"). Here, all of Ensinger's business activities are analysed to determine whether they are "taxonomy-capable" and "taxonomy-compliant", i.e. whether they fall under the sustainable economic activities that are to be promoted by the European Union. Indicators for the CSRD guideline and the EU taxonomy will be collected on a trial basis in the current year in the German operations and at two foreign branches before regular operations begin in the next financial year.

### **(1) Reference to frameworks**

With regard to reporting standards, this report is primarily based on the German Sustainability Code (DNK). Without explicitly referring to it, reference is made to almost all twenty criteria of the Code. The report also covers all topics that, to the best of our knowledge, will be reportable for the implementation of the CSRD from the 2025 financial year onwards. It also lists all aspects that must be addressed as part of non-financial reporting in accordance with Sections §§ 315c and 289c to 289e of the German Commercial Code (HGB) for capital market-oriented companies as a result of the materiality analysis, in particular environmental, employee and social issues, respect for human rights and combating corruption and bribery.

### **(2) Management system**

Disciplinary subordination. The Head of Sustainability reports directly to the Executive Board and is authorised to issue technical instructions. His tasks include the development of concepts and recommendations for action. He is supported by a team of specialists from the areas of environment and safety, legal, controlling and human resources.

Values and goals. The desired values and objectives relating to the ecological, social and legal aspects of sustainability are contained in the corporate mission statement, the corporate values, the safety and environmental policy and the Code of Conduct. All documents can be found on the company's website ([ensingerplastics.com](https://ensingerplastics.com)).

Process descriptions. Important decision criteria and sustainability requirements are integrated into various company processes that are described as part of the management system in accordance with DIN ISO 9001.

Key figures. The effectiveness of the measures introduced is monitored using key figures. Processes that are particularly relevant to the environment are already comprehensively recorded and evaluated. With the implementation of the CSRD from the 2025 financial year, social and legal criteria will also be recorded and analysed for all of the Group's operating companies.

### **(3) Method of ecological scarcity**

Different environmental impacts are weighted according to their severity and long-term effects and thus made comparable. The weighting factors, in turn, are derived from environmental legislation and political objectives.<sup>9</sup> Finally, the impacts weighted according to quantity and severity are added up to a total. The sum of the environmental impact points gives an impression of the impact level.

<sup>9</sup> „Eco-factors Switzerland 2021 according to the ecological scarcity method“. Environmental Study No. 2121, Swiss Federal Environment Agency.

**Environment & social data table**

		FY <sup>a)</sup> 2022	FY2023	FY2024				
		worldwide (base year)	worldwide	worldwide	GmbH	Europe without GmbH	Americas	Asia
<b>Reference data Ensinger Group</b>	Number of employees	2,552	2,734	2,748	1,374	592	557	225
	Turnover (€ million)	557	616	524	-	-	-	-
	Number of locations	37	38	38	3	16	9	10
	Share of production sites	65 %	65 %	65 %	100 %	70 %	70 %	30 %
<b>Environment</b>	Total environmental impact (million EP <sup>b)</sup> )	596,908	488,991	454,155	228,769	76,091	125,869	23,392
	Location balance sheet in million EP	6,981	6,398	6,213	2,624	1,040	2,366	183
	Energy supply & disposal in EP million	66,653	51,461	54,997	15,380	9,626	23,274	6,740
	Complementary balance sheet in EP million	523,275	431,132	392,944	210,765	65,425	100,229	16,468
<b>Categories</b>								
	Heating in million EP	8,467	7,544	8,970	3,284	2,349	3,335	0
	Fuels in million EP	3,052	3,702	3,870	1,506	1,340	109	915
	Water in million EP	138	139	108	12	58	25	12
	Disposal in million EP	3,884	3,982	11,696	987	2,805	7,667	237
	Disposal of hazardous waste in million EP	1,435	1,245	456	42	288	123	4
	Disposal of recyclable materials in million EP	0	0	0	0	0	0	0
<b>Life Cycle Assessment<sup>d)</sup></b>	Plastics in million EP	397,192	361,539	284,787	185,676	3,301	84,621	11,175
	Operating materials in EP million	1,896	502	2,699	119	2,326	183	70
	Auxiliary materials in million EP	53,412	7,920	7,145	6,649	5	491	0
	Packaging in million EP	11,073	10,376	9,695	2,278	480	6,364	572
	Paper material in million EP	204	147	175	40	29	61	44
	Business transactions in EP million	488	1,631	1,687	522	227	521	417
	Commuter traffic in million EP	10,082	10,652	10,508	4,623	2,236	3,168	479
	Internal product transport in million EP	6,671	4,125	5,914	4,381	76	1,165	291
	Product transport to the customer (for which Ensinger is responsible) in million EP	12,538	11,770	8,701	4,433	725	3,278	264
	Electricity in million EP	57,651	42,778	37,820	12,783	4,357	14,299	6,406
	Merchandise in million EP	28,725	20,939	56,565	0	54,203	0	2,327
	Product transport to the customer (for which the customer is responsible) in million EP	0	0	3,359	1,434	1,287	460	178
	Total GHG emissions in tonnes of CO <sub>2</sub> e	329,898	289,473	262,648	138,795	41,458	71,038	11,385
	GHG emissions: Scope 1 in tonnes CO <sub>2</sub> e	6,648	5,981	5,793	2,434	924	2,294	141
	GHG emissions: Scope 2 - market-based calculation in tonnes CO <sub>2</sub> e	27,903	20,131	18,775	5,966	2,935	6,771	3,102
GHG emissions: Scope 3 in tonnes CO <sub>2</sub> e	295,347	263,361	238,080	130,395	37,599	61,972	8,142	
Category 1: Purchased goods and services in tonnes of CO <sub>2</sub> e	260,545	231,521	206,976	116,576	32,849	52,406	5,145	
Category 2: Capital goods in tonnes of CO <sub>2</sub> e	414	507	606	215	175	5	210	
Category 3: Fuel and energy-related activities (not included in Scope 1 and 2) in tonnes of CO <sub>2</sub> e	9,826	7,430	7,522	3,056	1,231	2,282	981	
Category 4: Upstream transport and distribution in tonnes of CO <sub>2</sub> e	15,466	13,910	12,270	6,340	711	4,094	1,124	
Category 5: Waste generated during operation in tonnes of CO <sub>2</sub> e	3,163	3,260	2,499	728	753	894	124	
Category 6: Business trips in tonnes of CO <sub>2</sub> e	234	697	747	188	112	255	191	
Category 7: Employee commuting in tonnes of CO <sub>2</sub> e	5,616	5,936	6,154	2,693	1,307	1,891	262	
Category 8: Upstream leased facilities in tonnes of CO <sub>2</sub> e	0	0	0	0	0	0	0	
Category 9: Downstream transport and distribution in tonnes of CO <sub>2</sub> e	0	0	1,184	556	424	143	61	
Category 10: Processing of products sold in tonnes of CO <sub>2</sub> e	0	0	0	0	0	0	0	
Category 11: Use of products sold in tonnes of CO <sub>2</sub> e	0	0	0	0	0	0	0	
Category 12: End-of-life treatment of products sold in tonnes of CO <sub>2</sub> e	0	0	0	0	0	0	0	
Category 13: Downstream leased facilities in tonnes of CO <sub>2</sub> e	0	0	0	0	0	0	0	
Category 14: Franchise in tonnes of CO <sub>2</sub> e	0	0	0	0	0	0	0	
Category 15: Investments in tonnes of CO <sub>2</sub> e	0	0	0	0	0	0	0	
Category X: Other (upstream)	83	101	122	42	36	1	43	

	FY <sup>a)</sup> 2022	FY2023	FY2024				
	worldwide (base year)	worldwide	worldwide	GmbH	Europe without GmbH	Americas	Asia
<b>Environment</b>							
Short-term goals:							
GHG emissions in Scope 1 and 2							
	base year	-	-				
Scope 3 GHG emissions							
	base year	-	-				
Long-term goals:							
Scope 1 and 2 GHG emissions							
	base year	-	-				
Scope 3 GHG emissions							
	base year	-	-				
Validation and approval of our net zero and near-term targets by the SBTi, December 2023							
<b>Energy consumption</b>							
Total energy consumption in MWh							
	136,230	123,280	106,714	56,930	13,680	31,423	4,681
Total electricity consumption in MWh							
	103,957	93,664	76,597	44,944	6,370	21,090	4,193
Consumption of non-renewable energy in MWh							
	135,396	82,464	63,338	19,557	12,696	26,404	4,681
Purchased non-renewable electricity in MWh							
	103,123	52,848	33,221	7,571	5,386	16,071	4,193
Consumption of renewable electricity in MWh							
	834	46,502	43,376	37,373	984	5,019	0
Purchased certified renewable electricity in MWh							
	0	23,454	24,889	24,889	0	0	0
Self-generated solar energy in MWh							
	834	1,295	1,351	853	498	0	0
Other renewable electricity in MWh from the electricity mix of the locations							
	0	21,753	17,136	11,631	486	5,019	0
Total share of electricity from renewable energies in %							
	1	50	57	83	15	24	0
<b>Total waste</b>							
Disposal of hazardous waste in tonnes							
	552	553	610	112	453	43	2
Disposal of waste (excluding waste water) in tonnes							
	2,382	1,351	3,654	1,576	605	1,395	77
Disposal of recyclable materials in tonnes							
	2,782	2,720	2,807	1,171	360	1,194	81
Plastic waste in tonnes							
	2,207	2,274	2,436	1,074	214	1,070	78
<b>Water and waste water</b>							
Tap water in m <sup>3</sup>							
	110,005	95,088	60,974	18,269	26,532	11,332	4,841
Waste water in m <sup>3</sup> <sup>d)</sup>							
	43,419	62,500	95,321	57,523	26,905	5,932	4,961
<b>Social affairs</b>							
Total number of employees (average number of full-time equivalents in the FY)							
	2,551	2,734	2,748	1,374	592	557	225
Women in %							
	-	-	-	20.1	-	-	-
Women in management positions in % (divisional management position)							
	-	-	-	14.0	-	-	-
Rate of internal appointments to vacant positions in %							
	-	-	-	34.0	-	-	-
Number of trainees							
	-	-	-	65	-	-	-
Training rate in %							
	-	-	-	4.5	-	-	-
Total fluctuation rate in %							
	-	-	-	3.9	-	-	-
Sickness rate in %							
	-	-	-	6.4	-	-	-
<b>Safety in the workplace</b>							
Work-related injuries							
	69	59	77	27	22	28	0.0
Recordable Incident Rate (RIR) <sup>h)</sup>							
	2.7	2.5	3.4	3.0	4.0	5.0	0.0
Occupational accidents with a serious outcome (leading to 6 months' absence from work)							
	4	2	4	2	1	1	0
Fatal accidents at work							
	0	0	0	0	0	0	0
Near misses							
	74	107	125	15	22	85	3
Fire incidents (with and without fire brigade intervention)							
	7	4	9	7	0	2	0

<sup>a)</sup> FY = Financial Year, April to March, year in which the financial year ends

<sup>b)</sup> Eco-Points (EP) = environmental impact points (UBP)

<sup>c)</sup> LCI database: FY22/23 ecoinvent 3.9.1, FY24 ecoinvent 3.10; methodology: ECOPRO efficiency profile and WRI/WBCSD greenhouse gas protocol: A Corporate Accounting and Reporting Standard (revised edition),

LCIA methods: IPCC 2021 (GWP 100) and ecological scarcity method (Eco-Factors 2021), calculation: REGIS CE (EcoPerformance software)

<sup>d)</sup> Precipitation water was now recorded at the three German locations in FY2023, hence the increase of 40 % compared to the previous year.

<sup>e)</sup> The Austrian site Lenzing is not included in the wastewater as the data quality is not sufficient. Will be updated for FY2024.

<sup>f)</sup> Work-related injuries per 200,000 hours worked / Recordable Incident Rate (RIR), based on GRI 403-9

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**Ensinger Website**



*The Ensinger Group is engaged in the development, manufacture and sale of compounds, semi-finished materials, composites, technical parts and profiles made of engineering and high-performance plastics. To process the thermoplastic polymers, Ensinger uses a wide range of production techniques, such as extrusion, machining, injection moulding, casting, sintering and pressing. With a total of more than 2,500 employees at over 30 locations, the family-owned enterprise is represented worldwide in all major industrial regions with manufacturing facilities or sales offices.*

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