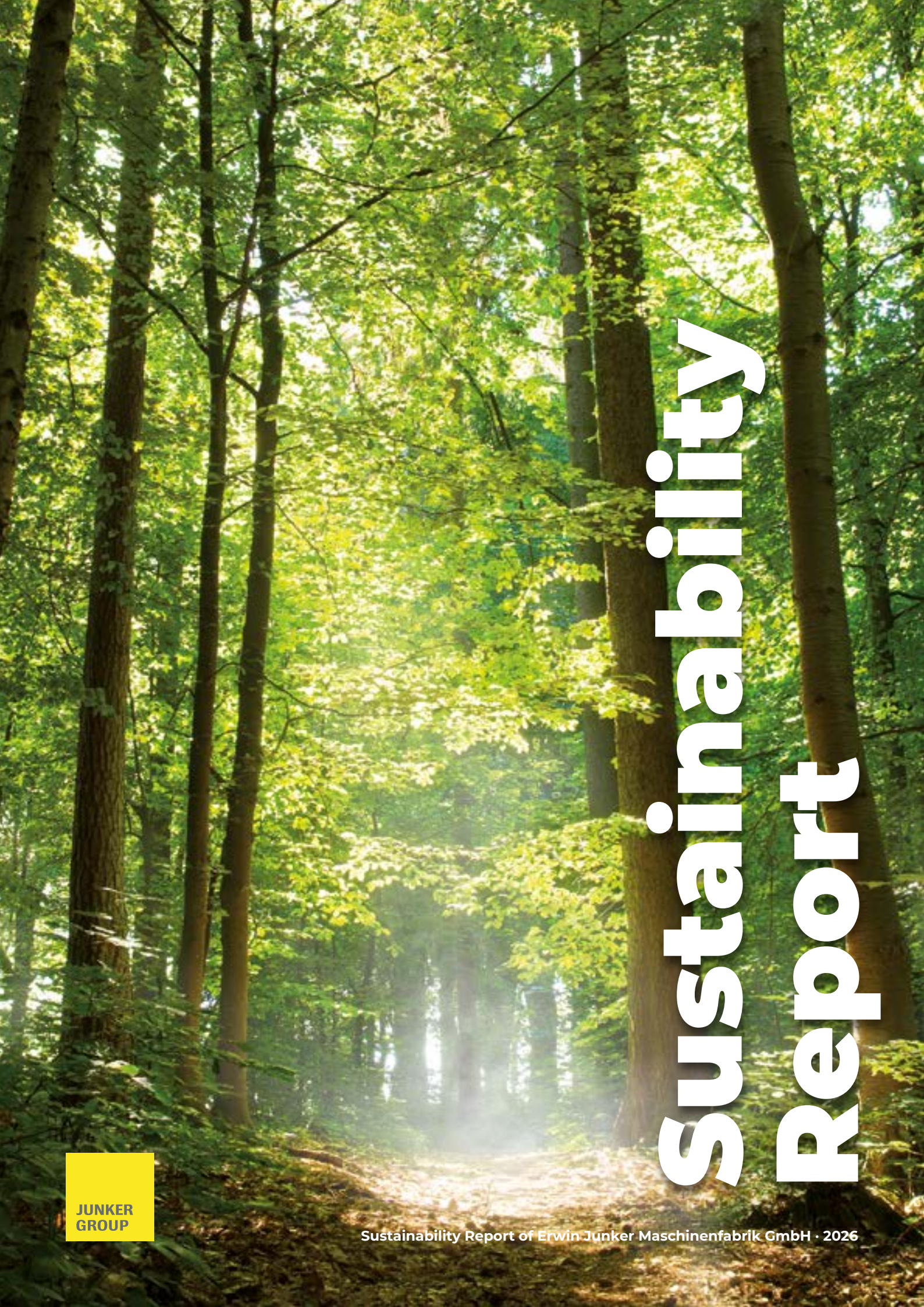

# Sustainability Report

JUNKER GROUP

Sustainability Report of Erwin Junker Maschinenfabrik GmbH · 2026

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Gender-neutral pronouns (they/them) are used in our Sustainability Report to improve readability. They include all genders.

# Thinking and Acting Sustainably for the Future

## Dear readers,

Even though the term "sustainability" in the sense of ecological, economic, and social factors was not in common use when JUNKER was founded over 60 years ago, these elements already formed the basis of our conduct to some extent back then. Sustainability has become more and more important to society, and therefore also for JUNKER, in the last few years.

We firmly believe that consistent, sustainable conduct is essential to meeting the challenges of the future, both socially and on a corporate level. Climate change and its impacts, responsible handling of resources, fostering social justice, and adapting to changing market conditions are just a few examples of these challenges.

With our third Sustainability Report, we would like to provide you with a comprehensive insight into our strategy, goals, initiatives, and commitment to sustainability. We warmly invite you to engage in dialogue with us and look forward to exchanging ideas and perspectives with you.

The Management of Erwin Junker Maschinenfabrik GmbH

**Joachim Himmelsbach** **Dr. Karsten Schaumann**

# 2
# The JUNKER Group



JUNKER is the global market leader in the manufacture of CBN high-speed grinding machines. Just under 1,100 employees across the globe work at 11 sites to ensure that the company stays ahead of the pack in terms of technology. Many world-renowned automotive manufacturers and their suppliers, tool manufacturers, and a wide range of other companies rely on JUNKER's innovative grinding concepts. JUNKER grinding machines work accurately, efficiently, and reliably for mass and small series productions. In addition to Erwin JUNKER Maschinenfabrik, the JUNKER Group comprises LTA Lufttechnik GmbH and Erwin Junker Zema Brasil Ltda. LTA Lufttechnik GmbH manufactures air filtration and fire protection systems for trade and industry.

With a high equity ratio, the JUNKER Group highlights their independence and financial strength, and therefore has the best prospects of continuing to be successful as a global player.

Around 322 people are employed at the headquarters in Germany, which was established in 1962. The final assembly and commissioning of grinding machines takes place there. Other departments are also based at the headquarters in Nordrach, such as the Technology Center, Construction, Sales, and Customer Service.

## 2.1 Our Strategy

- The JUNKER Group is an independent, financially self-reliant, international, growing technology leader with new technologies and is an attractive employer for highly qualified employees in the manufacture and servicing of grinding machines and air filters.
- The JUNKER Group operates at a yield of more than 10% in the long term.
- We stand apart from our competitors thanks to our premium technology, our innovative lead, and our global position in consulting, manufacture, and services.
- As a reliable partner, we retain our customers through new solutions and end-to-end support, including customer service. We recognize our customers' needs and keep our promises.
- Through innovations, we continuously develop solutions for (new) power trains, services/customer service, RETROFIT / retooling, and machine conversions in our business areas and supplement them with handling systems and tools (development, conditioning, and software (Industry 4.0).
- We are continuously advancing the digitalization of the JUNKER Group.
- We stand for intelligent technology: Autonomous, digital, efficient.
- Thanks to our clear structures, short decision-making paths, and motivated, innovative, and responsible employees, we are highly efficient and productive.
- As an employer, our distinguishing features are our global presence, secure jobs, individual development opportunities, flexible working time models, performance-based pay, and optimal knowledge transfer in a breathing organization.
- Our claim to leadership is shaped by trust, commitment, reliability, and consistency, with close contact with employees. We use targets in our management and give employees freedom and independence to achieve them; we communicate this as well as our expectations. We continuously train our managers in our management program.

# 2.2 History of the JUNKER Group

**2022**
**60th anniversary of Erwin Junker Maschinenfabrik GmbH**

**2023**
First JUDISC machine for grinding brake discs

**2024**
Launch of the new platform 3

Grinding solutions for linear actuators of humanoid robots

**2021**
Market launch of the JUMAT for machining worm shafts

**2003**
First CBN high-performance grinding machine for the complete machining of crankshafts in a single clamping setup

**2020**
Launch of the new platform 1 and 6

**2008**
First JUCENTER CBN high-performance grinding machine with two stations

**1962**
Formation of "Erwin Junker Maschinen- und Apparatebau" in an inoperative flour mill

**1977**
Opening of the company's own sales offices in the USA and Germany

**1992**
Acquisition of the three Czech sites Mělnik, Čtyřkoly, and Strědokluky and formation of the JUNKER Group

**1995**
Opening of the Technology Center in Nordrach

**1998**
Acquisition of the Holice site in the Czech Republic

**2003**
Formation of a sales and service office in Shanghai, China

**2007**
Merging of the Czech sites to become Erwin Junker Grinding Technology a.s.

**2008**
Opening of a sales and service office in Pune, India

**2011**
Formation of the sales and service office in São Paulo, Brazil

**2014**
Inauguration of the site in Mexico

**2015**
Majority stake in Zema Zselics Ltda., Brazil

**2016**
Establishment of the Erwin Junker manufacturer foundation

**2021**
Awarded the special environmental technology prize in Baden-Württemberg

**2024**
Erwin Junker Maschinenfabrik is now officially one of the 44 Hidden Champions of the Black Forest Power Region

Award as world market leader in the field of CBN high-speed grinding machines in the magazine WirtschaftsWoche

# 3

# Sustainability Management



In recent years, JUNKER has prepared its Sustainability Report without following a fixed reporting standard. With the previous reporting period, we began aligning our reporting with the European Sustainability Reporting Standards (ESRS), which are increasingly becoming the leading sustainability reporting framework within the European Union.

In the current reporting year, we are continuing this approach and further developing our reporting in line with ESRS requirements. Even without a legal obligation, we deliberately use this standard to present our sustainability performance in a transparent and understandable manner.

## 3.1 Materiality Assessment

The materiality assessment is used to systematically identify and evaluate the sustainability topics that are relevant to JUNKER.

We examine these topics from two perspectives. Through the lens of impact materiality (the inside-out perspective), we analyze how our business activities affect society and the environment. In addition, through financial materiality (the outside-in perspective), we assess the financial risks and opportunities that sustainabilityrelated issues may create for our company.

The materiality assessment forms the foundation of our sustainability strategy and reporting. It ensures that we focus on the topics that are of greatest importance to both our company and our stakeholders.

# 3.2 Environmental Materiality Assessment

The double materiality assessment for the environmental area is conducted in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Within the framework of impact materiality (inside-out perspective), we assess impacts on people and the environment as material when a relevant aspect is rated higher than “very low” in at least one subtopic across the criteria of severity, scope, and remediability.

Within the framework of financial materiality (outside-in perspective), a topic is considered material when the combined assessment of impact severity and likelihood of occurrence falls within the lower quarter of the evaluation scale. This approach ensures that topics with a relatively low impact level but a high probability of occurrence are also taken into account. This evaluation is based on our own analyses as well as the assessments of our stakeholders, which are documented within our environmental management system records.

The following environmental topics were identified as material in accordance with the ESRS:

- **Climate change** (ESRS E1)
- **Circular economy** (ESRS E5)

The following topics were assessed as not material:

- **Pollution** (ESRS E2)
- **Water and Marine Resources** (ESRS E3)
- **Biodiversity and Ecosystems** (ESRS E4)

The rationale for classifying these topics as non-material is as follows:

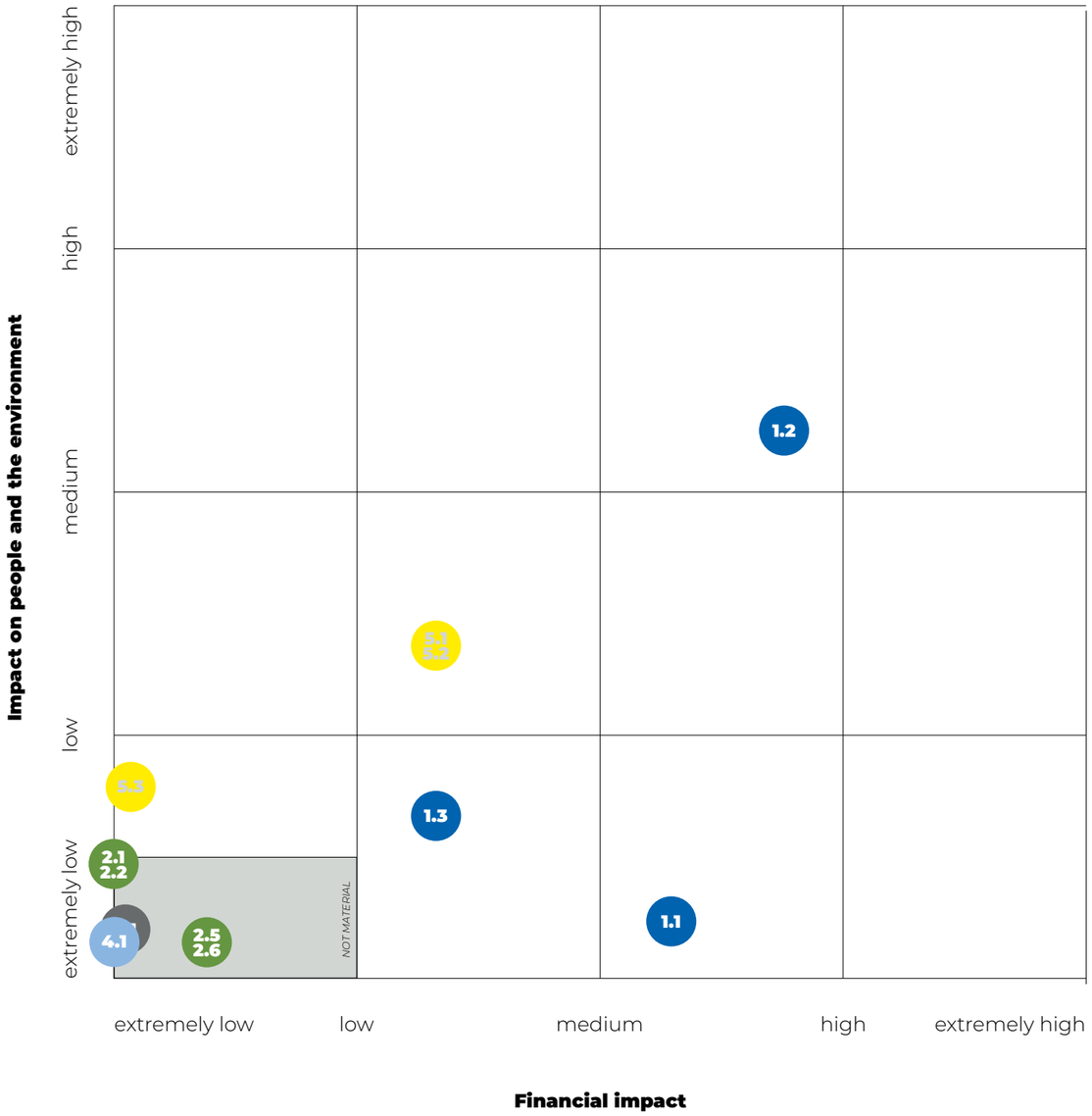
- The topic of Pollution (ESRS E2) primarily covers impacts on air, water, and soil, as well as effects on organisms and food resources, including the handling of substances of concern and microplastics. Through our established ISO 14001-certified environmental management system, environmental aspects at our sites have been systematically assessed and continuously improved for many years. As a result, potential impacts related to pollution have already been extensively optimized, leading to an overall low level of environmental impact in this area.

- With regard to substances of concern, we comply with the requirements of the REACH Regulation and ensure that all purchased components and materials also meet these standards. From a financial materiality perspective, no additional material risks or opportunities have been identified beyond the greenhouse gas emissions already addressed under ESRS E1 (Climate Change).

- The topic of Water and Marine Resources (ESRS E3) addresses water consumption, water withdrawal, and discharges. The water we use is sourced exclusively from the public water supply network. We do not operate our own wells or other water extraction facilities. There are no withdrawals from the adjacent Nordrach River.

- Water consumption is measured on a regular basis. Based on our assessments and current knowledge, we do not believe that our suppliers‘ value chains involve particularly water-intensive processes. Furthermore, given the regional conditions at our site, we do not expect water scarcity and therefore do not anticipate any material impacts related to water availability.

- The topic of Biodiversity and Ecosystems (ESRS E4) covers impacts on biodiversity, the condition of species and ecosystems, as well as dependencies on ecosystem services. Our analyses indicate that our activities and products do not have a significant negative impact on these areas. Likewise, no significant risks or opportunities for our company have been identified in connection with biodiversity and ecosystems. Notwithstanding their classification as non-material, these topics continue to be regularly assessed and monitored as part of our environmental management system.




**Climate change**

- **1.1** Adaptation to climate change
- **1.2** Combating climate change
- **1.3** Climate change – energy

**Pollution**

- **2.1** Air pollution
- **2.2** Water pollution
- **2.5** Pollution – substances of concern
- **2.6** Environmental pollution – substances of very high concern

**Water and marine resources**

- **3.1** Water

**Biodiversity and ecosystems**

- **4.1** Direct impacts on the loss of biodiversity

**Circular economy**

- **5.1** Inflow of resources, including resource consumption
- **5.2** Outflow of resources in connection with products and services
- **5.3** Waste

## Materiality assessment

# 4 Responsibility for the Environment

As a premium manufacturer, JUNKER Group intends to lead the way on sustainability. The protection of resources and energy is reflected on various levels at the JUNKER Group: At sites, in working processes, in ultra-modern grinding machines and filtration systems, and in the development of future technologies and applications. The environmental management system implemented at sites in Germany and the Czech Republic has been certified to ISO 14001 since 2017. Regular energy audits in line with DIN EN 16247 are also carried out.

# **4.1 Climate Change Impacts** ESRS E1

## Identification of Risks and Opportunities

The European Union has set the objective of achieving climate neutrality by 2050. This gives rise to regulatory, economic, and technological developments that are relevant to JUNKER, regardless of any specific legal reporting obligations. The topic of Climate Change (ESRS E1) encompasses the subtopics Climate Change Adaptation (E1.1), Climate Change Mitigation (E1.2), and Energy (E1.3). As part of the materiality assessment, the following risks and opportunities were identified for these subtopics:

- E1.1 – Ongoing climate change and extreme weather events that are becoming more frequent may need additional investment in air-conditioning, heat insulation, and the protection of Nordrach shore areas on the company premises => Actual risk
- E1.1 – Unforeseen weather events may also have a negative effect on our logistics chains in our Nordrach plant (from suppliers and our sites in the Czech Republic) and to our global customers => Potential risk
- E1.1 – The tightening of environmental regulations may affect JUNKER directly or via customers and result in increased manufacturing costs, compliance costs, or costs for ensuring compliance (assessment, reporting). Early implementation may be a competitive advantage => Actual risk & actual opportunity
- E1.2 – The global transition from fossil fuels to electromobility is already affecting JUNKER's business and has necessitated the development of new product areas for some years now => Actual risk & actual opportunity
- E1.2 – Europe has set itself the target of reaching net zero by 2050. The current sales market for traditional combustion engines is collapsing because of bans and $CO_2$ restrictions. The focus is increasingly on e-mobility. The transition means new sales markets can be developed in the medium term => Actual risk & actual opportunity
- E1.2 – Most greenhouse gases are caused indirectly through purchased electrical power (Scope 2). Electricity could become increasingly expensive through a $CO_2$ price. Generating our own electricity using solar power may reduce the amount of $CO_2$ and keep the price low for our site in Nordrach => Actual opportunity
- E1.2 / E1.3 – The development of more energy-efficient grinding machines and automation may reduce our environmental impacts and the running costs for our customers => Potential opportunity (Note: We consider this point to be potentially material, however it has only been a factor in purchasing decisions for a few of our customers in the past).

# 4.1.1 Management of Climate-Related Impacts

A systematic approach is essential to address the impacts of climate change, manage risks, and proactively capitalize on opportunities. Objectives and measures are defined within the framework of our environmental program and are regularly reviewed and updated. Our approach is structured around the following steps:

- Determination of our $CO_2e$ emissions
- Analysis of $CO_2e$ emissions
- Definition of targets and measures for $CO_2e$ reduction within our environmental program
- Review of target achievement and implementation of measures
- Adjustment and refinement of our targets and measures as needed

# 4.1.2 Determination of our $CO_2e$ Emissions

In this step, we systematically record and calculate all relevant $CO_2$ emissions produced by our business activities. This includes direct emissions (Scope 1), indirect emissions from energy consumption (Scope 2), and other indirect emissions along the value chain (Scope 3).

If greenhouse gases (GHGs) other than $CO_2$ are emitted, they are converted into $CO_2$ equivalents ($CO_2e$) based on their contribution to the greenhouse effect. This conversion is carried out using the Global Warming Potential (GWP) and is reported as $CO_2e$.

**Scope 1**
Scope 1 includes all direct emissions from sources owned or controlled by the company. These primarily comprise emissions from energy sources used within the organization, such as fuels, technical gases, and vehicle fuels.

**Scope 2**
Scope 2 covers indirect emissions resulting from purchased energy, particularly electricity consumption.

**Scope 3**
Scope 3 includes all other indirect emissions occurring throughout the upstream and downstream value chain. Examples include emissions from purchased materials, logistics activities, business travel, and waste disposal. In accordance with the GHG Protocol, these emissions are categorized into various upstream and downstream activities. At present, JUNKER is not yet able to determine its Scope 3 emissions completely and with sufficient data quality. This is due to the complexity of these emissions and the wide range of sources from which they originate.

| Upstream Categories | Downstream Categories |
|---|---|
| • Purchased goods and services<br>• Capital goods<br>• Activities relating to fuel and energy (not included in Scope 1 or 2)<br>• Transport and distribution (upstream)<br>• Operational waste<br>• Business trips<br>• Staff commuting<br>• Leased assets (upstream) | • Transport and distribution (downstream)<br>• Processing of sold products<br>• Use of sold products<br>• End-of-life treatment of sold products<br>• Leased assets (downstream)<br>• Franchise<br>• Investments |

# 4.1.3 Analysis of $CO_2e$ Emissions and Energy Consumption

The following presentation shows the energy consumption recorded at our site and the resulting greenhouse gas emissions. Data collection and calculation are carried out in accordance with the methodology described in Section 4.2.1.

| Energy Consumption and Energy Mix | | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| (1) Fuel consumption from coal and coal products | MWh | 0 | 0 | 0 |
| (2) Energy Consumption from Crude Oil and Petroleum-Based Fuels | MWh | 562,8 | 957,5 | 1.401,0 |
| (3) Fuel consumption from natural gas | MWh | 0 | 0 | 0 |
| (4) Fuel consumption from other non-renewable sources | MWh | 0 | 0 | 0 |
| (5) Consumption of purchased or acquired electricity, heating, steam, and cooling from fossil sources | MWh | 623,6 | 623,6 | 469,8 |
| **(6) Total consumption of non-renewable energy (total from 1–5)** | MWh | 1.186,4 | 1.581,1 | 1.870,8 |
| **Proportion of non-renewable sources in total energy consumption** | % | 35,9 | 41,9 | 45,5 |
| (7) Consumption from nuclear power | MWh | 0 | 0 | 79,7 |
| **Proportion of nuclear power in total energy consumption** | % | 0 | 0 | 1,9 |

| Energy Consumption and Energy Mix | | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| (8) Fuel consumption for renewable sources (including biomass, biogas, non-fossil fuel waste, renewable hydrogen) | MWh | 1.320,8 | 1.390,7 | 1.289,0 |
| (9) Consumption of purchased or acquired electricity, heating, steam, and cooling from renewable energy sources | MWh | 800,1 | 800,1 | 874,1 |
| (10) The consumption of renewable energy produced internally not from fuels | MWh | 0 | 0 | 0 |
| **(11) Total consumption of renewable energy (total from 8–10)** | MWh | 2.120,9 | 2.190,8 | 2.163,1 |
| **Proportion of renewable sources in total energy consumption** | % | 64,1 | 58,1 | 52,6 |
| **Total energy consumption (total from 6, 7, and 11)** | MWh | 3.307,3 | 3.771,9 | 4.113,6 |

| Greenhouse gas emissions | | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| **Scope 1 GHG emissions** | metric t CO2e | 186,21 | 293,05 | 406,53 |
| Percentage of Scope 1 GHG emissions from regulated emission trading schemes | % | 0 | 0 | 0 |
| **Scope 2 GHG emissions** | | **2025** | **2024** | **2023** |
| Scope 2 GHG emissions (location-based) | metric t CO2e | 344,65 | 548,49 | 540,98 |
| Scope 2 GHG emissions (market-based) | metric t CO2e | 257,58 | 409,93 | 404,31 |



# 4.1.4 Determination of Goals to Reduce $CO_2e$ Emissions and Energy Consumption

The definition of environmental objectives takes place within the framework of our environmental program, which serves as the central basis for our goals and initiatives. The objectives are longterm in nature and are derived from the identified material environmental impacts, risks, and opportunities. For the Nordrach site, the following key objectives have been established in the areas of climate protection and energy management:

- Reduce $CO_2$ emissions (Scope 1 and Scope 2) by 5% by the end of 2030 (base year: 2018)
- Achieve long-term carbon neutrality for Scope 1 and Scope 2 by 2045
- Increase the share of renewable energy in total energy consumption to 75% by 2035

Ergänzend werden Maßnahmen zur Steigerung der Energieeffizienz systematisch umgesetzt. Diese sind:

- Reduce electricity consumption in production per machine by 5% by the end of 2030 (base year: 2025)
- Achieve a verifiable reduction of at least 5% during relevant modernization projects involving machines, equipment, and facilities
- Identify and implement additional opportunities for improvement to further reduce energy consumption

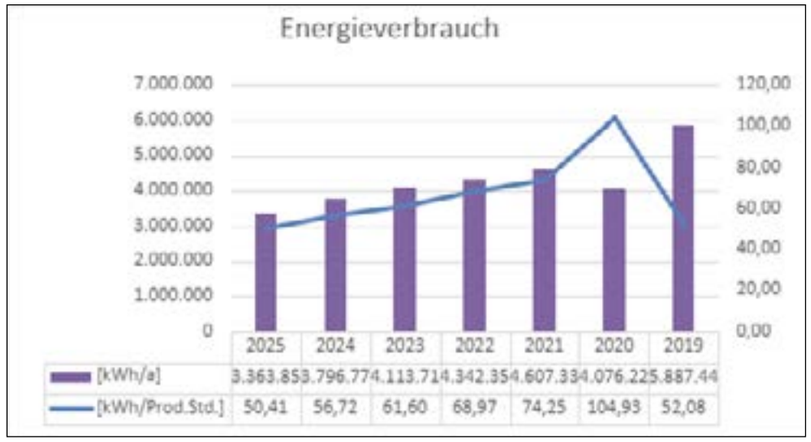
The implementation of these objectives is regularly monitored and evaluated as part of the environmental management system.

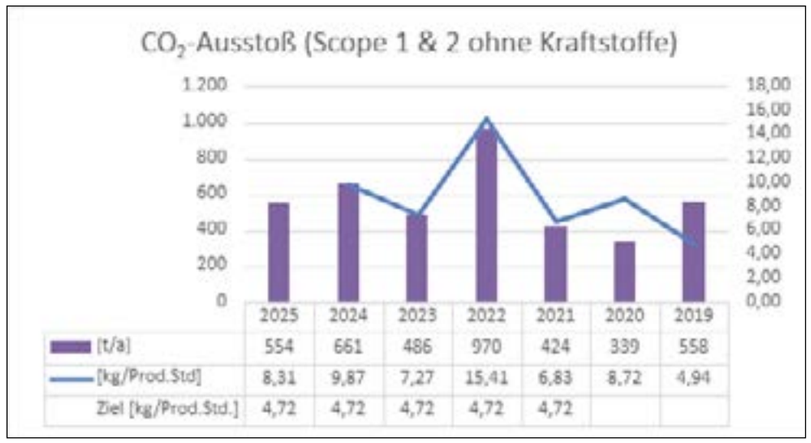
# 4.1.5 Review of Progress Toward Objectives and Implementation of $CO_2e$ Reduction Measures

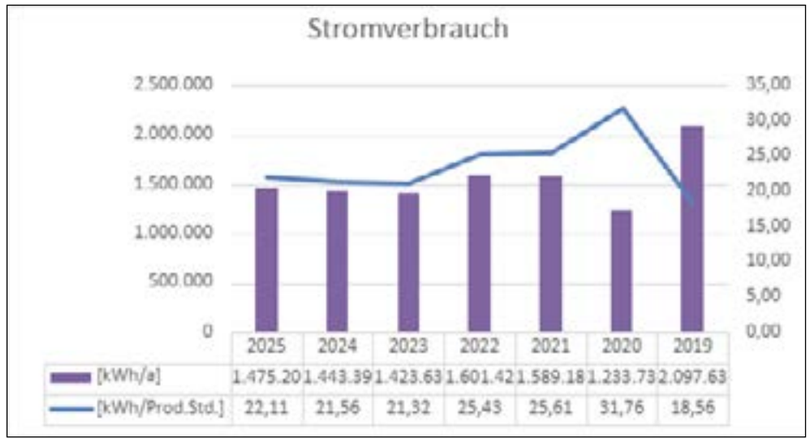
Progress toward achieving our objectives is assessed based on our environmental performance indicators relating to energy consumption and the resulting greenhouse gas emissions. These indicators are regularly analyzed within the framework of our environmental management system. At the Nordrach site, electricity consumption accounts for the largest share of $CO_2e$ emissions and therefore represents a key lever for achieving our climate goals. At the same time, analyses show that energy consumption and emissions are strongly influenced by production volume. Consequently, the evaluation of progress toward our objectives takes this influencing factor into account.

Given the long-term time horizons associated with our objectives, a final assessment of goal achievement is not yet possible. Instead, attention is focused on monitoring trends in energy consumption and $CO_2e$ emissions, as well as evaluating the implementation of measures defined in the environmental program. The current program includes, in particular, the following measures:

- Reduce electricity consumption in production per machine
- Develop and implement additional efficiency improvement opportunities across the site network
- Identify technical and organizational measures to reduce energy consumption
- Systematically evaluate and improve energy efficiency during modernization projects
- Increase the share of renewable energy sources in the overall energy mix




# 4.2 Circular Economy
## ESRS E5

The sustainable use of resources and the reduction of waste are key components of our environmental strategy. Against the backdrop of evolving regulatory requirements and increasing expectations from customers and markets, the circular economy is becoming increasingly important.

In accordance with the ESRS, the topic of Circular Economy comprises the subtopics Resource Inflows and Resource Use (E5.1), Resource Outflows Related to Products and Services (E5.2), and Waste (E5.3). As part of the materiality assessment, material risks and opportunities relating to these subtopics were identified and evaluated.

- E5.1 & E5.2 – We consider our products to be reusable as a rule. However, there is further potential here and it is possible that recyclability could become a customer requirement => Actual risk & actual opportunity.

- E5.3 – The waste produced is separated and disposed of in line with legal requirements. The volume of hazardous waste was approx. 60 metric tons/year in the last few years. The volume of emulsions that require disposal fluctuates depending on the order.

# 4.3 Extending Product Lifespan

Extending the service life of our machines makes a significant contribution to the circular economy by conserving resources and reducing waste. Through its RETROFiT business unit, JUNKER offers customers the opportunity to technically modernize existing machines, adapt them to new requirements, and continue using them for many years. Over the past several years, nearly 500 machines have been modernized.

Typical measures implemented as part of a RETROFiT project include:
- Replacement and modernization of pneumatic and hydraulic components
- Optimization of grinding processes to reduce energy consumption and wear
- Replacement of worn components, particularly workpiececontacting parts and control systems
- Introduction and expansion of preventive maintenance concepts (Preventive Maintenance)

These measures improve both the resource efficiency and energy efficiency of the machines while extending their operational lifespan.

# 4.4 Waste Management

Within the area of waste management, all waste generated is recorded according to its type, separately collected, and disposed of in an environmentally responsible and compliant manner. Our operations generate both hazardous and non-hazardous waste. The volumes and composition of waste streams are influenced in part by production utilization levels, as well as project-specific and order-related factors.

The tables below provide an overview of the quantities of hazardous and non-hazardous waste generated.

| Hazardous waste | 2025 | 2024 |
|---|---|---|
| **Sum [kg]** | 88532 | 61153 |
| **[kg/prod. hr.]** | 1.33 | 0.91 |

In 2025, the “Blechhalle” (Sheet Metal Hall) warehouse was reorganized, during which a significant quantity of unused metalworking fluids (coolants and lubricants) and operating materials was sorted out and disposed of. As a result, the volume of hazardous waste generated in 2025 increased significantly compared to 2024.

| Non-hazardous waste | 2025 | 2024 |
|---|---|---|
| **Sum [kg]** | 165317 | 64061 |
| **[kg/prod. hr.]** | 2.48 | 0.96 |

The quantity of waste generated per production hour was higher than in 2024. This increase was primarily attributable to the disposal of machine workpieces, heavy machine components, and obsolete machines from the MF division. In 2025, a total of 117 tonnes of ferrous metals and steel were disposed of.

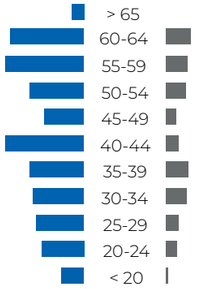
# 5 Social Factors

# 5.1 Responsibility for Employees

Since the founding of Erwin Junker Maschinenfabrik GmbH in 1962, employees have made a significant contribution to the company's success. The performance and competitiveness of the JUNKER Group are driven by the commitment, expertise, and motivation of its workforce.

The company assumes responsibility for its employees and regards them as a key success factor. Our goal is to create a working environment that ensures safety, fairness, and mutual respect. This includes reliable working conditions, transparent structures, and high standards in occupational health and safety. These principles also shape our corporate culture, which is based on responsible and respectful collaboration. Particular emphasis is placed on the continuous development of individual skills and on fostering long-term employment relationships. These conditions are reflected in the long-standing loyalty of many employees to the company. The average length of service is 17 years.

Company events and activities help strengthen cohesion and team spirit across the workforce. Employees celebrating long service anniversaries receive special recognition through additional tokens of appreciation for their loyalty and commitment. The connection to JUNKER continues even beyond active employment. Former employees are invited to selected events and provided with insights into current developments within the company, helping to maintain an ongoing relationship with the organization.


Age chart


Average age

# 5.2 Traineeships and Continuing Professional Development

**Traineeships**
Training and developing young talent has long been an integral part of our human resources strategy. Since the company was founded, more than 500 young professionals have started their careers at JUNKER.

Our training portfolio includes skilled trades, commercial and technical professions, as well as dual-study programs. Apprentices begin their training through a structured onboarding phase and are supported throughout their training period by dedicated mentors and contact persons.

Our training concept follows a holistic approach, focusing not only on professional skills but also on social and personal development. In addition to practical and theoretical training, apprentices participate in workshops, business simulation games, teambuilding activities, and educational excursions. The program also includes training designed to strengthen interpersonal and behavioral skills, such as etiquette courses. Particular emphasis is placed on communicating and reinforcing our company-wide core values.
To further develop intercultural competencies and professional qualifications, JUNKER offers opportunities for international assignments and exchange programs in China, Europe, and the United States.

The Youth and Trainee Representative Committee (JAV) serves as a point of contact for apprentices and supports communication and collaboration between trainees and the company.

The training program is designed to foster long-term employment and collaboration, as reflected in the company's high retention rate of apprentices upon completion of their training. During the reporting period, a total of 22 apprentices were employed by the company.

| Field of Training | Number of Apprentices |
|---|---|
| **Technical Apprentices** | 10 |
| **Business Apprentices** | 7 |
| **Engineering Apprentices** | 5 |
| **Total** | **22** |

**Continuing professional development**
The continuous development of employee skills and competencies is an important prerequisite for the company's success. Individual development needs are identified and addressed through regular employee performance and development discussions. A broad range of internal training opportunities, together with structured development programs for specialists and managers, supports both the professional and personal growth of employees. These initiatives help strengthen existing competencies while also building skills that are essential for future success. In addition, JUNKER established a future leadership development program in 2021, designed to prepare employees at an early stage for future management responsibilities.



# 5.3 Equality, Equal Opportunity, and Inclusion

JUNKER is committed to providing a working environment characterized by equal opportunity and mutual respect. All employees are given fair opportunities for development and personal growth, regardless of their individual backgrounds or circumstances.

Personnel decisions are based on qualifications, competencies, and suitability for the respective role. At the same time, diversity within the company is actively encouraged. Particular emphasis is placed on attracting and supporting women in skilled trades and technical professions. For example, JUNKER participates in Girls' Day, introducing young women to technical careers and helping to increase the proportion of women in these fields over the long term.

Employees with health-related limitations are integrated and supported on an individual basis. In close collaboration with those affected, solutions are developed to enable long-term employment that is both sustainable and appropriate to their health needs.

# 5.4 Work-Life Balance

JUNKER supports a healthy balance between professional and private life through flexible working hours, mobile working arrangements, and individualized part-time models.

Parental leave is also actively encouraged and supported. The uptake of parental leave by employees of different genders demonstrates that family responsibilities are increasingly being shared more equally and that corresponding support measures are accepted and utilized across the workforce. These options are well established within the company and contribute to a balanced reconciliation of professional and family responsibilities.

# 5.5 Occupational Safety and Health Management

**Occupational Health and Safety**
Health and safety in the workplace are of paramount importance at JUNKER and extend beyond statutory requirements. To support this commitment, JUNKER has implemented an occupational health and safety management system that has been certified to ISO 45001 for several years. JUNKER's workplace accident rate is significantly below the industry average. On average, fewer than 10 reportable workplace accidents per one million working hours are recorded, compared with an industry average of approximately 20. Nevertheless, our objective remains to continuously reduce the number of workplace accidents further.

The provision of personal protective equipment (PPE) is an integral part of our occupational health and safety program. This includes, among other measures, individually fitted hearing protection and reimbursement of costs for computer workstation glasses. In addition, preventive and health promotion measures are continuously implemented.

**Corporate Health Management (CHM)**
In addition to occupational health and safety measures, a comprehensive Corporate Health Management (CHM) program contributes to maintaining and strengthening the physical and mental well-being of our employees.

- Occupational health screenings and preventive medical examinations
- Workplace health promotion programs
- Group sporting activities, such as running events
- Health awareness days
- Seasonal influenza vaccinations
- Information and awareness programs on health-related topics
- Company bicycle leasing program to promote sustainable mobility
- Partnership with Hansefit to encourage physical activity and fitness
- Programs offered by external partners, such as RV Fit, a preventive health program provided by the German Pension Insurance (Deutsche Rentenversicherung)

# 5.6 Responsibility in the Supply Chain

For JUNKER, observance of and compliance with high ethical and ecological standards is of great importance. This is also taken into consideration when we select suppliers. Suppliers are obligated to comply with our Code of Conduct, which requires binding adherence to our sustainability criteria. Implementation of the Code is checked during annual, random supplier audits, which are required under our VDA 6.4 certification. More than 90% of our suppliers are located within the European Union. As a result, they operate within a common legal framework with regard to environmental, social, and labor standards.


# 5.6 Responsibility for the Community

The JUNKER Group is committed to supporting charitable organizations, projects, and activities as part of its social responsibility. This includes close cooperation with universities, colleges, and research institutes, through which JUNKER contributes to advancing research and further developing the state of the art. In 2016, the „Erwin Junker Altenpflege Stiftung" (Erwin Junker Elderly Care Foundation) was founded with the aim of supporting care for the sick and elderly, particularly in the regions in which JUNKER operates. In 2024 and 2025, the foundation donated more than €50,000.

When carrying out skilled trades and maintenance activities, such as building renovation projects, we primarily engage regional service providers. In doing so, we help strengthen local small and medium-sized enterprises and support the regional economy.

**50,000€**
**for charitable causes**

# 6 Corporate Governance



The management of JUNKER is committed to responsible and sustainable corporate governance. The foundation of its actions is built on long-term customer relationships maintained through close dialogue, together with a clear commitment to sustainability in the areas of environment, economy, and society. Management defines the sustainability strategy and establishes objectives in collaboration with the relevant key personnel and departments, including Human Resources, Occupational Health and Safety, Purchasing, and Environmental Management.

Progress toward these objectives is reviewed, evaluated, and prioritized on a quarterly basis. In addition, the management system reviews required under the ISO 14001 Environmental Management System, the VDA 6.4 Quality Management System, and the ISO 45001 Occupational Health and Safety Management System are conducted annually.

Sustainability aspects are also embedded in the internal policies of our integrated management system, for example in the overarching CSR Policy and the Raw Materials Sourcing Policy.

The JUNKER Group regards compliant and responsible conduct as a fundamental cornerstone of its business success. This principle is firmly anchored in the company's mission statement. Consequently, the JUNKER Group has maintained a Compliance Management System for many years, encompassing all processes and measures designed to ensure compliance with applicable laws, regulations, and internal standards.

In addition to adherence to all relevant laws, regulations, and requirements, the compliance program includes the defined core values of the JUNKER Group as well as internal policies. Together, these form a binding framework governing our business activities. Through awareness of the compliance program, training employees in relevant compliance requirements, and identifying and monitoring specific compliance risks, we create the conditions necessary to ensure lawful and compliant conduct throughout the organization.

Another key part of our compliance management system is the annual performance of audits in the compliance organization. The effectiveness of the system is assessed in annual internal audits, which are carried out directly by the management. As in previous years, the system‘s effectiveness was proven with no significant discrepancies the last audit period. There were no compliance breaches at any of the JUNKER Group‘s sites.

# 6.1 Our Guiding Principles for Working Together

**Collaboration and Cooperation**
- Employees help one another and can count on their colleagues' support when they need it

**Professionalism**
- Tasks are approached and completed in a target-oriented manner. Parallel to this, the best possible solution is always sought
- The quality of work at JUNKER always meets the highest standards

**Diversity and Tolerance**
- The individuality of JUNKER employees is an integral element of JUNKER's corporate culture and a key factor in creating a positive working environment
- The corporate culture of JUNKER is based on tolerance. Different religious beliefs, ideological views, and sexual orientations are treated with respect
- Discrimination fundamentally contradicts JUNKER'S core values and is therefore prohibited

**Respect**
- JUNKER employees respect one another

**Fairness**
- The principles of fairness are observed and upheld

**Openness**
- Openness and integrity are vital to a positive corporate culture. These values create an environment of trust and help to prevent misunderstandings
- The giving and receiving of regular, open, honest, and constructive feedback is integral to the fulfillment of this objective

# 6.2 Our Core Values

**JUNKER is a "partner for precision" in every sense**
JUNKER is a "partner for precision" in every sense: JUNKER supplies its customers with high-quality, custom-developed machines, and the entire working approach of all JUNKER employees is shaped by a high standard of quality and efficiency

**JUNKER is committed to complying with all laws**
Compliance with legal provisions is mandatory in every case, even when this means avoiding an attractive business opportunity

**JUNKER is committed to maintaining a high degree of integrity in its business activities**
We take a firm stance against corruption and avoid any conflict of interest that has even the appearance of improper conduct

**JUNKER is committed to maintaining a working environment shaped by good collaboration and to ensuring equal treatment of all employees**
We expect our employees to respect the personal privacy and dignity of others. Discrimination and harassment of any kind are not tolerated

**JUNKER is committed to transparency in its decision-making processes**
We document our business transactions fully, precisely, and exactly

**JUNKER is committed to ensuring the health and safety of employees in the workplace**
We foster a sense of responsibility for workplace safety. We take measures to identify and eliminate potential hazards. Where applicable, we give warnings about hazards

**JUNKER is committed to cooperating with investigating authorities**
We assist official investigations and answer questions posed by investigating authorities. In this way, we ensure that the rights and interests of JUNKER and its employees are maintained

**Conduct at JUNKER is rooted in values**
The JUNKER Group places great value on a sustainable corporate culture, which is rooted in shared values. This includes valuing our customers, integrity as the foundation and guiding principle of our conduct, as well as diligence, accuracy, and reliability in everything that we do. These principles are embodied by every JUNKER employee, being conducive to the development of a culture of collaboration amongst employees with customers, suppliers, and other interest groups



**Publication Details**

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