Solutions. For Life.

Annual Report 2024

KSB Profile

KSB is a leading supplier of pumps, valves and related service. Its reliable, high-efficiency products are used in applications wherever fluids need to be transported or shut off, covering everything from building services, industry, petrochemicals and chemicals as well as water transport to waste water treatment, energy generation and mining. Founded in 1871 in Frankenthal, Germany, the company has a presence on all continents with its own sales and marketing organisations and manufacturing facilities. Wherever our customers are in the world, more than 190 service centres and around 3,500 service specialists are close at hand to provide spare parts, inspection, servicing, maintenance and repair services under the KSB SupremeServ brand. Our success is based on continuous innovation that is the fruit of the company's research and development activities.

General Industry

Building Services

Petrochemicals / Chemicals

Water

Energy

Mining

Valves

KSB SupremeServ

Digital Annual Report

Online Annual Report:
ksb.com/online-report
PDF version for download:
ksb.com/annualreport

2024 in Figures

↗ Compared with 2023

Order intake

€ 3,114 million

+ € 154.5 m | +5.2 %

Sales revenue

€ 2,965 million

+ € 146.2 m | +5.2 %

EBIT

€ 244.2 million

+ € 20.3 m | +9.1 %

Employees

16,407 at 31 December 2024

Five-year Financial Summary

Business Development and Earnings

		2024	2023	2022	2021	2020
Order intake	€ m	3,114.0	2,959.5	2,862.1	2,411.7	2,143.4
Sales revenue	€ m	2,965.2	2,819.0	2,573.4	2,343.6	2,207.9
Orders on hand	€ m	1,650.1	1,548.1	1,497.8	1,366.2	1,288.5
Earnings before finance income / expense, income tax, depreciation and amortisation (EBITDA)	€ m	341.6	312.0	259.5	222.1	170.1
Earnings before finance income / expense and income tax (EBIT)	€ m	244.2	223.9	169.1	141.2	70.2
Earnings before income tax (EBT)	€ m	231.2	209.0	160.7	139.9	61.6
Earnings after income tax	€ m	146.8	176.6	127.3	110.3	4.4
Free cash flow (cash flows from operating activities + cash flows from investing activities)	€ m	114.9	176.8	-86.9	87.5	111.6

Balance Sheet

		2024	2023	2022	2021	2020
Balance sheet total	€ m	2,867.9	2,669.8	2,478.9	2,314.4	2,140.0
Investments	€ m	170.3	135.6	121.6	103.6	97.6
Depreciation and amortisation	€ m	97.4	88.1	90.4	80.9	99.9
Net financial position	€ m	371.0	324.9	225.6	365.6	304.8
Equity (incl. non-controlling interests)	€ m	1,335.4	1,216.9	1,125.6	869.1	703.8
Equity ratio (incl. non-controlling interests)	%	46.6	45.6	45.4	37.6	32.9

Profitability

		2024	2023	2022	2021	2020
EBT margin (sales revenue in relation to EBT)	%	7.8	7.4	6.2	6.0	2.8
EBIT margin (sales revenue in relation to EBIT)	%	8.2	7.9	6.6	6.0	3.2

Employees

		2024	2023	2022	2021	2020
Number of employees at 31 Dec.		16,407	16,038	15,693	15,412	15,076

Shares

		2024	2023	2022	2021	2020
Market capitalisation at 31 Dec.	€ m	1,095.1	1,092.9	644.3	727.8	441.9
Earnings per ordinary share (EPS)	€	67.29	86.83	59.05	53.34	-5.63
Earnings per preference share (EPS)	€	67.55	87.09	59.31	53.60	-5.37
Dividend per ordinary no-par-value share	€	26.50	26.00	19.50	12.00	4.00
Dividend per preference no-par-value share	€	26.76	26.26	19.76	12.26	4.26

Further information is provided in the Notes to the consolidated financial statements.

Global Presence

Backed up by production and assembly sites around the world, as well as a tight-knit sales and service network, KSB staff are always close at hand.

Americas

- Argentina
- Bolivia
- Brazil
- Canada
- Chile
- Columbia
- Ecuador
- Mexico
- Panama
- Peru
- USA

Europe

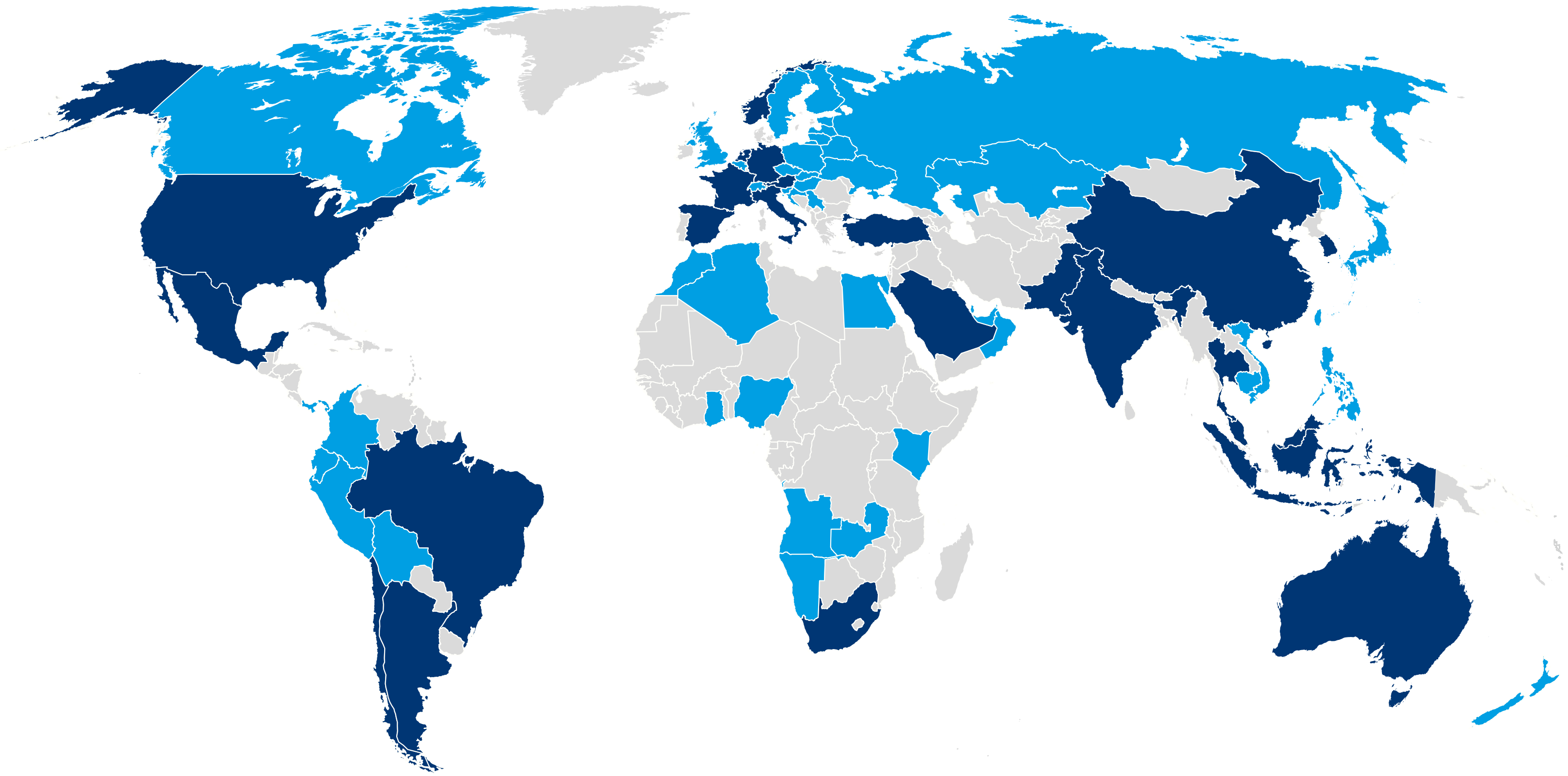
- Austria
- Belarus
- Belgium
- Croatia
- Czech Republic
- Estonia
- Finland
- France
- Germany
- Hungary
- Italy
- Latvia
- Lithuania
- Luxembourg
- Netherlands
- Norway
- Poland
- Portugal
- Russia
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Ukraine
- United Kingdom

Middle East / Africa

- Algeria
- Angola
- Egypt
- Ghana
- Kenya
- Morocco
- Namibia
- Nigeria
- Oman
- Qatar
- Saudi Arabia
- South Africa
- Turkey
- United Arab Emirates
- Zambia

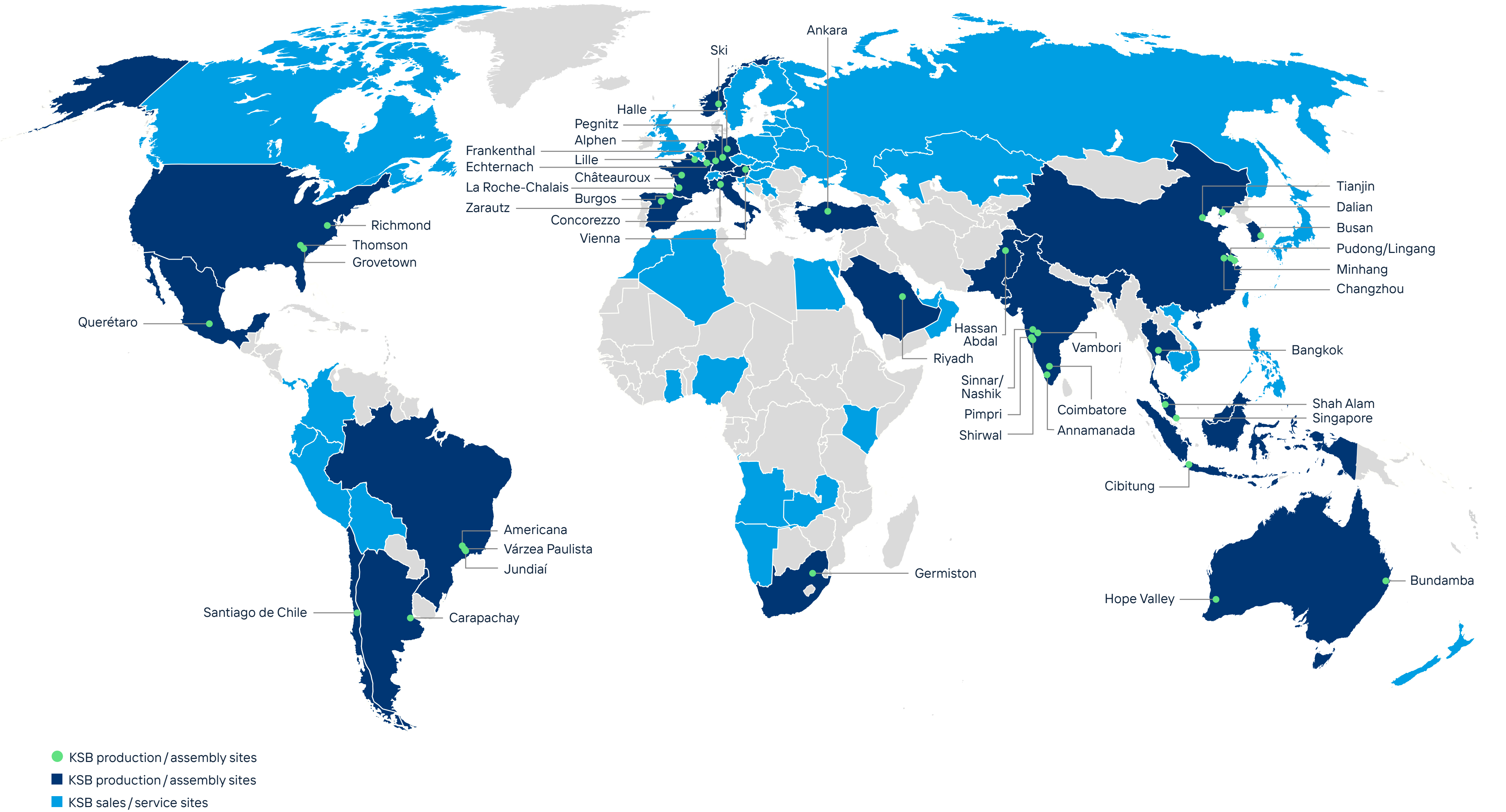
Asia / Pacific

- Australia
- Cambodia
- China
- India
- Indonesia
- Japan
- Kazakhstan
- Malaysia
- New Zealand
- Pakistan
- Philippines
- Singapore
- South Korea
- Taiwan
- Thailand
- Vietnam



- KSB production / assembly sites
- KSB sales / service sites

Global Presence



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Management

The background of this image was created by artificial intelligence (AI).

Dr. Stephan Bross
Managing Director of
KSB Management SE (CTO)

Dr. Matthias Schmitz
Managing Director of
KSB Management SE (CFO)

Ralf Kannefass
Managing Director of
KSB Management SE (CSO)

Dr. Stephan Timmermann
Managing Director of
KSB Management SE (CEO)

Dear Shareholders and Business Partners,

Numerous changes in the world order made 2024 another demanding financial year. Despite major challenges, KSB advanced in all areas and once again increased its key performance indicators, enabling us to close one of the best financial years in the company's history.

Global situation

Political elections in many parts of the world have led to investment reticence. Post-pandemic effects such as high interest rates and energy prices also had a noticeable impact, for example causing disruptions in key markets such as the chemical and construction industries.

The wars in Ukraine and the Middle East reflect a fragile world order. New geopolitical power blocs such as the growing BRICS group are changing trade flows and presenting challenges for global corporations.

In an environment marked by continuing uncertainty, we have consistently pursued our customer-oriented strategy and kept KSB on a stable growth path.

Corporate culture

The global KSB Voice employee survey was of particular importance in 2024. We asked around 30 questions to obtain feedback from our employees worldwide. The response rate of 91 % – amounting to over 15,000 participants – was outstanding. The engagement index, which essentially measures employee satisfaction, was 77 %. This figure not only represents a significant increase compared with previous surveys, it is also above the average for the mechanical engineering industry and for companies worldwide conducting such surveys.

Dr. Stephan Timmermann

We believe that the company's success depends on the commitment of its employees. It therefore makes us all the more pleased that the various measures we have implemented worldwide to promote motivation and loyalty to the company are bearing fruit. We will continue with our efforts in this area and make KSB an even more attractive employer.

Success story

KSB has developed extremely positively over the last seven years. Everything we have tackled has been sustainable and successful.

The circumstances have not been supportive. Dominated by COVID-19, the war in Ukraine, the cyberattack, inflation and supply bottlenecks, the last few years have been beset with challenging conditions that have tested KSB's resilience and ability to change.

Today, KSB is in a solid financial position and is systematically moving towards a double-digit return on sales. Shareholders appreciate the company's reliable capital market and dividend policies – and not just since its inclusion in the SDAX and Prime Standard. Following Climb 21, the introduction of our market-oriented organisational structure, we are now pursuing our Mission TEN30 strategy to ensure even more customer centricity and profitability. The foundation of this strategy is the global software migration to SAP S/4HANA, with which we are simultaneously harmonising and standardising our core processes and aligning them for the future. The continuous strengthening of our profitable service and spare parts business marketed under KSB SupremeServ and the expansion of our standard business are also key pillars in the company's current strategy.

By introducing the new company logo and brand claim "Solutions. For Life.", the company realigned its brand image in the 2024 financial year, shining the spotlight on solutions that fulfil people's everyday needs.

KSB once again significantly increased its investment volume in 2024, focusing on the technological and sustainable modernisation of our buildings as well as on expanding and increasing the efficiency of our production capacities. This future-proofing, which we have been consistently implementing for years, is also a globally visible symbol of our stability and job security.

We are humbly delighted by this successful corporate development. Our unreserved thanks and recognition for this go to our employees.

Outlook

We are anticipating ongoing challenging conditions in the new financial year, including political uncertainty and regional conflicts as well as economic upheavals and changing trade flows. Nevertheless, we are confident that there will also be positive impetus and that any downturns, whether market-specific or country-focused, will be overcome.

We will concentrate our resources on what is important, plan with foresight and adapt to the circumstances. In this way, we will continue to generate substantial value for our shareholders, employees and business partners in the 2025 financial year.

Dr. Stephan Timmermann, CEO

Report of the Supervisory Board

Dr. Bernd Flohr (Chairman of the Supervisory Board)

The economic conditions in 2024 were challenging for many German companies. The economic downturn in Germany and Europe led to reduced order intake and sales revenue in the mechanical engineering industry. Positive momentum came predominantly from non-European markets. However, uncertainties exist there, too, with a growing trend towards deglobalisation and an uptick in trade disputes and geopolitical conflicts. The fact that KSB managed to make 2024 the best financial year ("reporting year") in the company's history despite all of these difficulties and uncertainties deserves our unreserved recognition. Order intake, sales revenue and, in particular, earnings were increased significantly. For the first time, order intake exceeded the 3 billion euro threshold. This shows how well the company is able to compensate for economic weaknesses in individual regions and economic sectors thanks to its broad geographical positioning and wide range of customer industries. The systematic implementation of the Mission TEN30 strategy adopted in 2023, which is based on growth measures across all Segments and Market Areas as well as targeted increases in earnings, also played a major role in this success. In addition, strategic projects to improve internal processes will support the company's operative development in the long term. Management is working with great commitment to further strengthen the future viability and competitiveness of the company in an increasingly challenging environment. The Supervisory Board will continue to liaise closely with Management to this end in future.

Throughout the reporting year, the Supervisory Board performed its duties as set out by law, the Articles of Association and the Rules of Procedure with utmost diligence. It advised the general partner, KSB Management SE, acting through its Managing Directors, on corporate management issues and monitored its work. The Managing Directors informed the Supervisory Board about current developments, including but not limited to the company's business, financial and staffing situation, planned investments, corporate planning and strategy via written and oral reports prepared regularly and on an ad hoc basis in a comprehensive and timely manner.

The Supervisory Board discussed business transactions of significance to the company in depth on the basis of reports submitted by the Managing Directors. Any departures in business developments from the plans and targets were questioned and commented on in detail by the Managing Directors. The Supervisory Board also dealt with risk situations, risk management and compliance. Beyond the intensive work in plenary sessions and in the committees, the Chairman of the Supervisory Board in particular and other members of the Supervisory Board were in constant contact with the Managing Directors between scheduled meetings. There was an ongoing exchange of information with the Administrative Board of KSB Management SE, including but not limited to its Chairman, on current business developments and on material transactions, as well as on questions of strategy and planning. The Chairman of the Administrative Board also participated regularly in the Supervisory Board meetings. The Chairman of the Supervisory Board and his deputy were guests of the Administrative Board on selected issues. The Supervisory Board also convened regularly in the absence of the Management.

The company continued to support the members of the Supervisory Board in their training measures during the reporting year, providing them with regular information about the rights, obligations and practice of the Supervisory Board. As part of the onboarding process, new members of the Supervisory Board are quickly familiarised with relevant company topics through introductory discussions with committee members and managers responsible for functional areas.

Main focus of work in the Supervisory Board plenary sessions

The Supervisory Board held five regular in-person meetings in the 2024 financial year. At four of these meetings, one or two Supervisory Board members attended via video conference. In addition, following the Annual General Meeting on 8 May 2024, the Supervisory Board held an extraordinary in-person meeting to elect – after the elections of new employee representatives – the Deputy Chair and to decide on the composition of the committees.

Key subjects of all regular Supervisory Board meetings were the performance of the company and the KSB Group, primarily with regard to their business and financial situation, measures for securing future business development, major investment projects and risk management topics.

Regular consultations with the Managing Directors on business development included the analysis of developments in the Market Areas of the Pumps Segment, the Valves and the KSB SupremeServ Segments, as well as in the Regions. Suitable measures to improve results of operations were discussed, as were the growth initiatives presented by the Managing Directors.

The Managing Directors also provided regular information on the development of ongoing major investments in our production facilities at various sites. Two recently started projects of overarching importance were another key focus: At the company's headquarters in Frankenthal, production of the flagship ETA pump series is to be modernised and expanded at a cost in the high double-digit million euro range. The investment decision was preceded by extensive analyses of the requirements for the location and the design of the factory. The chosen scalable matrix production with flexibly interlinked modules and the addition of an assembly facility for ETA pumps with electronic drive control constitute a customised production solution at a high technological level that can be dynamically adapted to future innovations as required. The possibility of relocating production to a lower-cost European country was ruled out after the parties to the collective agreement at the Frankenthal location agreed to measures to increase its competitiveness.

In the USA, expansion began of the KSB Inc. plant in Richmond, Virginia. This is an important prerequisite for the progressive expansion of the market share in the large US pumps and valves market. The migration to SAP S/4HANA is an investment that does not increase property, plant and equipment, but rather flows into the company's processes; the Supervisory Board additionally discussed this in several meetings.

The following key topics were discussed at the individual Supervisory Board meetings:

The meeting in March 2024 particularly addressed the audit and approval of the annual financial statements for the 2023 financial year, including the combined management report and the combined separate non-financial report for the company and the KSB Group in accordance with Sections 315b, 315c in conjunction with Sections 289c to 289e HGB [*Handelsgesetzbuch* – German Commercial Code]; the auditors also explained the key audit areas and results. The Chairman of the Audit Committee gave a detailed account of the audit carried out on accounting processes for the period. The Supervisory Board agreed to the proposal on the appropriation of the net retained earnings presented by the general partner for the 2023 financial year. It also approved the remuneration report pursuant to Section 162 AktG [*Aktiengesetz* – German Public Companies Act] for the 2023 financial year. At this meeting, the Supervisory Board furthermore discussed the course of business in North Asia, where KSB is present with ten companies in China, South Korea and Japan. China accounts for the largest share of business. Business there is developing successfully and benefiting from the large sales market that has not yet been fully tapped. Despite geopolitical and domestic political challenges, the Managing Directors see further potential in China. This was also the reason for the recent construction of a new, state-of-the-art production facility for chemical and petrochemical pumps at the Shanghai location, which was completed in 2024.

In May, the Supervisory Board dealt in depth with the development of business in the Valves Segment. A variety of measures in focused areas are to be implemented to stimulate growth. SISTO Armaturen S.A. in Luxembourg and KSB MIL Controls Ltd. in India are of particular importance in this regard. Both companies are already extremely successful in their respective markets. Another focus of this meeting was on analysing the sales markets in the Energy Market Area. The Managing Directors reported on the opportunities in nuclear energy and in the area of renewable energies. They outlined how KSB is a leading supplier of pumps and valves in the dynamically growing hydrogen technology market. The product portfolio covers all applications from electrolysis through to carbon capture, utilisation and storage.

At the meeting in July, the Supervisory Board discussed the introduction of the new SAP S/4HANA software, which will be linked with extensive process harmonisation and standardisation. The Managing Directors provided information on the planned costs and its implementation in several waves starting from the end of 2025. Other topics at this meeting included the development of the US company Standard Alloys Inc. acquired in 2010. Having moved to a new location in 2021, it has since focused on increasingly establishing itself as a centre of excellence for reengineering in North America. Closely integrated into the local service network, it mainly produces medium- and high-technology components. At this meeting, the Supervisory Board also received reports on KSB's market shares worldwide. KSB is one of the five largest pump suppliers in the world. Market coverage, which varies according to region and end market, is strongest in the Region Europe Central, KSB's home market.

In October, the Supervisory Board met at the Pegnitz location, the second largest plant in Germany. The main topics of the meeting were the progress that has been achieved there in the areas of 3D printing, foundry, digital factory and the production of mechanical seals. In view of the changing energy market, the Pegnitz valves departments, which currently still mainly manufacture products for conventional power plants in Asia, anticipate future growth opportunities in decentralised heat generation and transfer as well as small fourth-generation nuclear reactors. At this meeting, the Supervisory Board also discussed the tender process for the selection of auditors from the 2025 financial year and – following intensive preparation and supervision of the selection process by the Audit Committee – resolved to propose the appointment of KPMG AG, Wirtschaftsprüfungsgesellschaft, based in Berlin with an office in Stuttgart, to the 2025 Annual General Meeting.

At its December meeting, the Supervisory Board discussed key strategic topics, including the planned expansion of the standard and distributor businesses, which places particular demands on digital customer interfaces and logistics. The management of expertise within the company is also being further optimised. Given the wide range of applications in which KSB products are used in various different industries, this is particularly important. It ultimately helps us offer optimum solutions to our customers around the world. Business development in South America was also discussed: thanks to the economic momentum in individual countries, business there is developing positively at an above-average rate, particularly in the KSB SupremeServ Segment and in the Mining, General Industry and Water Market Areas. Another pleasing topic was the very good results of the employee survey conducted in autumn

2024. The significant increase in engagement scores compared with 2022 was well above the reference values for the global mechanical engineering industry.

At its meeting on 13 February 2025, the Supervisory Board discussed the budget and medium-term planning for 2025 and subsequent years.

Main focus of work in the committees

In order to enable it to fulfil its duties efficiently, the Supervisory Board again worked with four committees during the reporting year. These prepared the Supervisory Board's resolutions and the special topics to be discussed in the plenary sessions. In addition, they made their own decisions within the scope of their authorities. This allocation has proved worthwhile in practice. The Chairs of the committees regularly and comprehensively reported in the plenary sessions on the content and results of the work carried out in the committees.

The **Audit Committee** held five in-person meetings in the reporting year. It discussed the 2023 annual and consolidated financial statements and the relevant audit reports submitted by the auditors. The combined separate non-financial report and remuneration report pursuant to Section 162 AktG were also discussed in detail. The committee meetings were generally attended by individual Managing Directors and the managers of the relevant specialist departments, as well as, on multiple occasions, the auditors. The Audit Committee, in particular its Chairman, regularly exchanged ideas with the auditors in preparatory meetings, without participation of the Managing Directors. The committee prepared the independent examination by the Supervisory Board of the financial statements, the combined management reports and the proposal on profit appropriation. In addition, the Audit Committee submitted a recommendation for the selection of auditors by the 2024 Annual General Meeting to the Supervisory Board plenary session. The Audit Committee also commissioned the auditors with auditing the annual and consolidated financial statements for the 2024 financial year and defined specific key areas for the audit together with the auditors. It obtained the

Supervisory Board Committees

and their Chairs, as well as number of meetings in the reporting year

Corporate Development Committee

Chair: Klaus Kühborth
No. of meetings: 6

Personnel Committee

Chair: Dr. Bernd Flohr
No. of meetings: 3

Nomination Committee

Members:
Dr. Bernd Flohr, Klaus Kühborth
No. of meetings: 2

Audit Committee

Chair: Klaus Burchards
No. of meetings: 5

Attendance at meetings

	Supervisory Board	Nomination Committee	Corporate Development Committee	Personnel Committee	Audit Committee
Dr. Bernd Flohr	5/5	2/2		3/3	5/5
René Klotz (from May 2024)	3/5		3/6		
Claudia Augustin	5/5			3/3	
Klaus Burchards	5/5				5/5
Arturo Esquinca	5/5		5/6		
Klaus Kühborth	4/5	2/2	6/6		
Birgit Mohme	4/5				5/5
Thomas Pabst	5/5		6/6		
Prof. Dr. Corinna Salander	4/5		3/6		
Harald Schöberl	5/5				5/5
Volker Seidel	5/5		6/6	3/3	
Gabriele Sommer	5/5			3/3	
Jürgen Walther (until May 2024)	2/5		3/6		

declaration of independence by the auditors and monitored the auditors' continued independence and performance of non-audit services. The committee also reviewed the quality of the annual financial statements on the basis of previously defined criteria.

In addition, the committee focused on reviewing accounting, monitoring the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, as well as the auditing of the annual financial statements and compliance. In this context, it also debated the half-year financial report with the Managing Directors. It also focused regularly on the Internal Audits reports. Another focus of the committee meetings was the economic development of the Group and selected subsidiaries for which earnings enhancement programmes had been initiated. The committee also discussed the development of the Group's tax rate and other tax-related issues. In several meetings, it dealt with the preparation of sustainability reporting in accordance with the EU Corporate Sustainability Reporting Directive. The committee discussed the main points of the report with the individuals responsible as per the double materiality principle as well as the collection of the necessary key indicators. The contractual safeguarding of corporate financing, which will replace the contracts expiring in 2025, and the provision of overdraft facilities and guaranteed credit facilities contained therein were further topics. Of particular importance in the work of the Audit Committee was the process for selecting the auditors from the 2025 financial year onwards. The committee managed the preparation and implementation of the invitation to tender and evaluated the bids, drawing on the expertise of KSB's specialist departments. The outcome of the selection process was submitted to the Supervisory Board in October 2024 with a corresponding proposal for a resolution.

The **Personal Committee** held three in-person meetings in the reporting year. The committee focuses on subjects and challenges relating to Human Resources activities within the Group. It also decides in particular on the conducting of transactions for which the Supervisory Board has been appointed to represent the company pursuant to Section 112 AktG, as well as on matters relating to the remuneration of the Supervisory Board members. In the reporting year, the committee and subsequently the Supervisory Board were involved in a personnel matter relating to the Managing Directors. They supported the renewed extension of the appointment of Dr. Bross, who has been Managing Director since 2017, until 31 December 2027. The committee also obtained information on the results of the latest employee survey, the succession planning process for top-level management and the fluctuation rate within the company. The Workday human resources software, whose core functions have been implemented worldwide since mid-2024, was another subject discussed.

The **Corporate Development Committee** deals with strategic issues in the fields of technology, production and sales, among other things. It also advises on the budget and planning. It convened six times in the reporting year. One meeting was conducted exclusively as a video conference. At four of the five other meetings, one or two committee members attended via video conference. Guests and speakers also sometimes attended via video conference. Over the course of the reporting year, the committee engaged in multiple discussions on planned investments in production facilities, service locations and sales units. One example of this is the abovementioned modernisation of the ETA plant in Frankenthal on the basis of flexible matrix planning. Construction work for this project started at the beginning of 2025. Construction projects of our Indian company KSB Limited, Pimpri (Pune), were also on the agenda. The newest factory in Shirwal, which has a high level of capacity utilisation, will be expanded through the addition of a further building and the 45-year-old Chinchwad site will be converted into a service centre. Investments already made in 2024 were evaluated retrospectively, such as the establishment of a new service joint venture in Egypt in 2021. The large population of KSB pumps there can now be serviced by our own local company. Overarching production topics were also discussed: in the reporting year, the committee obtained information on how the process for measuring and managing delivery reliability, which was adapted in 2020, has progressively led to improvements, both with regard to production processes and prompt delivery to customers.

The **Nomination Committee** recommends to the Supervisory Board suitable candidates for election as Supervisory Board members, whom the Supervisory Board then proposes to the Annual General Meeting. In looking for and evaluating suitable candidates with the requisite expertise and experience of the industry, long-term succession planning is a key factor. The committee held two in-person meetings in the reporting year.

Corporate Governance and Statement of Compliance

The Supervisory Board continuously monitored developments in corporate governance standards throughout the reporting year. The general partner, acting through its Managing Directors, and the Supervisory Board reported on the Company's corporate governance as part of the Corporate Governance Statement pursuant to Sections 289f (2 and 3) and 315d HGB. On 12 December 2024 they issued a joint updated statement of compliance in accordance with Section 161 AktG and made it permanently available to shareholders on the company's web site. The company complies with the German Corporate Governance Code's recommendations subject to a few justified exceptions. In the reporting period, no conflicts of interest arose involving members of the Supervisory Board that would have been subject to disclosure in the report of the Supervisory Board.

Audit of the 2024 Annual and Consolidated Financial Statements

The Supervisory Board examined the annual financial statements of KSB SE & Co. KGaA for the year ended 31 December 2024, which were prepared in accordance with the provisions of the Handelsgesetzbuch (HGB), as well as the consolidated financial statements and the combined management report for both financial statements for the year ended 31 December 2024, which were prepared in accordance with the International Financial Reporting Standards (IFRSs), and the proposal by the general partner on the appropriation of net retained earnings. This also applies to the combined separate non-financial report.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, based in Frankfurt am Main with an office in Mannheim, audited the annual financial statements of KSB SE & Co. KGaA for the year ended 31 December 2024, as well as the consolidated financial statements and the combined management report for the company and the Group for the year ended 31 December 2024, and issued an unqualified opinion. The key audit areas agreed with the Audit Committee for the consolidated financial statements for the reporting year included sales revenue based on the percentage of completion, provisions for expected losses, and impairment testing for deferred taxes as well as goodwill and property, plant and equipment under IAS 36. With regard to the annual financial statements, the audit focused on impairment testing for deferred taxes and sales revenue as well as the measurement of equity investments, provisions for expected losses and the measurement of finished goods and work in progress, including their development. The combined separate non-financial report was reviewed by the auditors. The auditor reported on its findings both orally and in writing.

The accounting documentation, the proposal by the general partner on the appropriation of the net retained earnings, the non-financial report and the audit reports submitted by the auditors were provided in good time to all members of the Supervisory Board. They were discussed in detail by the Audit Committee on 5 and on 12 March 2025, as well as in the Supervisory Board plenary session on 20 March 2025, and explained in depth by the Managing Directors of the general partner. The auditors attended the meetings of both bodies, reported on the findings of the audit and were available to provide additional information.

The Supervisory Board concurs with the auditors' findings. Following the final results of the examination by the Audit Committee and its own review, the Supervisory Board raised no objections to the annual financial statements, consolidated financial statements, combined management report as well as the combined separate non-financial report. In accordance with the recommendation of the Audit Committee, the Supervisory Board approves the financial statements prepared by the general partner. The proposal of the general partner on the appropriation of the net retained earnings of KSB SE & Co. KGaA, and in particular the increase of the dividend to EUR 26.50 per ordinary no-par-value share and EUR 26.76 per preference no-par-value share, is deemed to be appropriate by the Supervisory Board in accordance with its own review; it concurs with it.

Changes to the Supervisory Board

As a result of the election of employee representatives to the Supervisory Board, there were changes to the composition of the Supervisory Board in the reporting period: René Klotz, who was previously a member of the Supervisory Board from 15 May 2013 to 4 May 2023, was re-elected to the Supervisory Board with effect from 8 May 2024. He replaces Jürgen Walther, who had been a member of the Supervisory Board since 4 May 2023. The Supervisory Board would like to thank Jürgen Walther for his close cooperation.

At its extraordinary meeting on 8 May 2024, the Supervisory Board once again elected Claudia Augustin as the Deputy Chair. The composition of the committees changed with effect from 8 May 2024 as follows: Volker Seidel was elected to the Personnel Committee and René Klotz was elected to the Corporate Development Committee.

At the end of the reporting year, there was the following further change to the Supervisory Board: Volker Seidel resigned from the Supervisory Board as of 31 December 2024. His successor, Stefan Winnerlein, First Delegate and Treasurer as well as Managing Director of IG Metall Ostoberfranken, was appointed by court order with effect from 1 January 2025. The composition of the committees was adjusted as follows at the beginning of 2025: Birgit Mohme succeeded Volker Seidel on the Personnel Committee, René Klotz replaced Birgit Mohme on the Audit Committee and Stefan Winnerlein joined the Corporate Development Committee.

The Supervisory Board would like to thank the Managing Directors and the Administrative Board of the general partner, as well as the employees and employee representatives of all Group companies for their constructive and committed work during the past financial year.

Frankenthal, 20 March 2025

The Supervisory Board

A Look Back at 2024

Q1

Valves for green wind power rotors

In January 2024, KSB's Luxembourg-based subsidiary SISTO Armaturen S.A. is awarded the contract to supply valves for a pilot electrolyser in Herne, Germany. The green hydrogen will serve as a source material for isophorone diamine, an important raw material for wind turbine rotor blades.

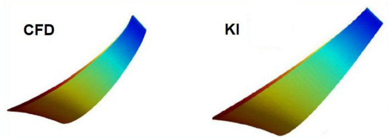
Read more

Investment in AI start-up

ai-omatic specialises in predictive maintenance based on AI-driven models. KSB offers a similar solution via its KSB Guard monitoring service. By entering into a collaborative partnership, KSB aims to rapidly expand its range of services and accelerate its strategies for digitalisation and the IIoT (Industrial Internet of Things).

Continued future focus

KSB's development team is working on an AI-based tool for impeller design, training it with KSB knowledge in order to optimise flow. Initial experiences show that the new tool already delivers good results with just a small amount of training data and offers advantages over traditional methods.



Expansion of valve business

In the Region Middle East / Africa, KSB agrees to cooperate with two distributors from the United Arab Emirates (UAE). Thanks to this and other cooperation partnerships, customers receive their valves even more quickly. Faster response times and shorter delivery times increase sales prospects on the local market.

New face for KSB

To coincide with the publication of its Annual Report, KSB presents a new logo to the public. The logo symbolises the continuous development of the company and brand. "Solutions. For Life." is the new brand claim, encapsulating KSB's commitment to improving people's daily lives with its products and services.

Dealer conference in India

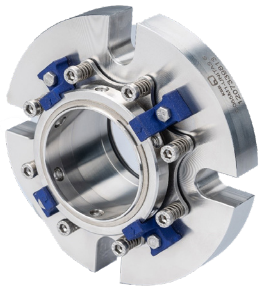
The expansion of our distributor business offers enormous growth potential for KSB worldwide. In India, KSB Limited organises the All India Dealer Conference with more than 150 distributors from all over the country. Together, the participants want to further intensify their cooperation and celebrate successes.

Q2

Return of trade fairs

Following the cancellation of trade fairs due to COVID-19 in recent years, customers can finally experience KSB live again at the ACHEMA and IFAT trade fairs in Frankfurt and Munich. The trade visitors show great interest in finding out about the latest trends and developments in pump and valve technology.

The success story continues



KSB has been manufacturing mechanical seals in Pegnitz since 2012, with annual production rising from 2,000 to over 55,000 units. To better measure the success of its mechanical seals division and provide a solid foundation for further growth, mechanical seals production is given its own plant structure.

Fantastic team

Highly motivated and together unbeatable! The team spirit at KSB is the basis for the company's success, as reflected in our record-breaking number of participants in the BASF Company Cup at the Hockenheimring in June. With over 170 employees taking part, it's KSB's biggest ever team to compete at the event.

Best training company in Germany

In April, the economics magazine "Focus Money" ranks KSB as Germany's best training company in the mechanical engineering industry for the second time since 2021. The ranking is based on an analysis of vocational training at 13,000 companies across Germany. KSB offers a range of vocational training opportunities and dual study programmes at its German locations.

Read more

Shaping the future together

KSB seeks to leverage its potential even further in the North-American water market. In May, more than 80 sales partners come to the US state of Georgia to learn more about new business opportunities, products and technologies. Together with its partners, KSB wants to shape the future of the water and waste water industry in the USA and North America.

Q3

100 years young

On 6 July, KSB's subsidiary SISTO Armaturen S.A. based in Echternach, Luxembourg, celebrates 100 years of successful business operations. Since 1924, the company has enjoyed significant success and established itself as one of the leading manufacturers of diaphragm valves worldwide. The valves produced in Luxembourg are also currently in use in large-scale projects for the production of green hydrogen or sterile applications.

Read more

New intelligent submersible motor pumps for waste water

In September 2024, the KSB Group launches a new generation of submersible motor pumps on the market. The pumps of the AmaRex Pro type series are driven by high-efficiency motors of class IE5. The new, intelligent pumps combine easy handling with high efficiency.

Read more

Investment in the USA

The expansion of KSB's location in Richmond, Virginia, enables new growth in North America. The groundbreaking ceremony on 5 September marks the beginning of a new era, with the 25-million-euro investment accelerating both customer service and the supply of spare parts. The aim is to strengthen KSB's presence in North America and make it one of the leading suppliers in the target market.

Kick-off for global IT project

KSB harmonises and standardises its core processes worldwide by migrating its software to SAP S/4HANA. Kicking off with more than 600 project members around the globe, the first roll-out wave marks the start of the main project with the aim of future-proofing the company and creating the basis for new growth.

Innovation and customer loyalty

KSB Norway presents itself as a strong partner for technological innovation and sustainability, showcasing its technical know-how in expert presentations and an exhibition. Norwegian customers praise the level of detail and expertise. The strong presence of senior management underlines the importance of the Norwegian market.

Huge investment at KSB headquarters

KSB invests around 60 million euros in modernising and expanding its Eta pump production facility in Frankenthal by 2029. As one of the company's highest ever investments, it reflects KSB's commitment to Germany as a business location and its focus on state-of-the-art and digitalised production.

Read more

Q4

Multifunctional valves

With its new BOATRONIC 100 MOD measuring computer, KSB offers specialist consultants and operators a cost-effective and compact option to meet the new legal requirements of the German Buildings Energy Act [*Gebäudeenergiegesetz*, GEG]. The new measuring computers effectively turn the BOA-Control IMS balancing and shut-off valve into an energy monitoring system for modern heating and air-conditioning systems.

3D-printed high-tech components

At formnext 2024, the company presents a wide range of components that KSB is able to produce thanks to its almost twenty years of experience in metal additive manufacturing. The exhibits include parts for aviation and process engineering and, naturally, components for pumps and valves.

Graduation time

Every year, the KSB SupremeServ Academy trains the company's own service experts from all over the world. The idea: experienced specialists deepen their knowledge together and take it back to their regions and countries. In this way, its graduates help to further improve KSB's local service offerings.

Impressive results

Analysis of the global employee survey indicates encouraging developments at KSB. The engagement score, which measures satisfaction, increased by 12 percent to 77 percent compared with the previous survey. This puts KSB above the average for the mechanical engineering industry and for all companies worldwide.

Fast action

KSB responds to the increasing frequency of heavy rainfall events and the associated rising flood risk with an extremely rapid market launch. KSB Flood Fighter L is an all-in kit based on the high-performance AmaDrainer type series with additional components for the swift, professional removal of flood water from residential and commercial buildings.

KSB supports young talent

Ten representatives of start-up companies meet in Frankenthal to receive valuable tips from specialists and managers from the *Wissensfabrik* [Knowledge Factory], an initiative founded by German companies. The mentors support the innovative companies with their experience, for example with regard to market entry.

Read more

The KSB team in Egypt having fun on an excursion

KSB successfully competing at a basketball tournament in China

Satisfied Employees

At KSB, people all over the world work together successfully to meet customers' needs in the best possible way. As this is most effectively achieved with satisfied and committed employees, that is why KSB is focusing on promoting employee motivation around the globe. And with success: In 2024, the company achieved a record score for employee satisfaction.

The Energy team in Frankenthal meets for a New Year's reception.

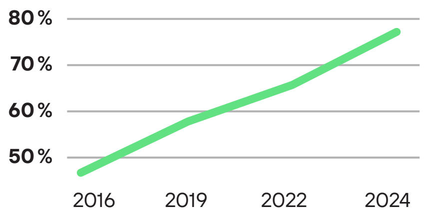
A group fire-fighting exercise in India strengthens the team spirit.

“Satisfied employees are the basis for KSB’s success!”

Dr. Stephan Timmermann, CEO

77 %

Engagement score 2024

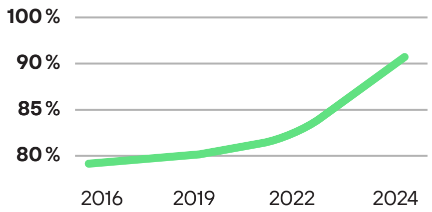


The KSB team from Zambia meets for Christmas lunch.

KSB employees in India celebrating together

91 %

Response rate 2024



KSB Voice shows impressive results

More than 15,000 employees provided their feedback in the regularly conducted survey. The engagement score, which measures satisfaction, increased by 12 percent to 77 percent compared with 2022. KSB intends to build on this success and make the company even more attractive as an employer.

Team members from KSB Mexico planting trees

KSB's teams from Southeast Europe sailing in the Adriatic

Mission TEN30

Strategy for the Future

The Mission TEN30 corporate strategy adopted in 2023 pursues the overarching objective of achieving a double-digit return on sales by 2030. It will also see the expansion of KSB's Segments and Market Areas as well as the further development of the company's strengths.

House of Strategy

The Mission TEN30 strategy is based on a market-oriented approach, which was developed and introduced with Climb 21, with a strong focus on KSB SupremeServ. The Market Area and Segment strategies have been optimised and will be further developed by 2030. They are supported by six cross-market topics and the strategic foundation, which has the goal of achieving operational excellence.

These strategic elements were brought together in KSB's House of Strategy under the name Mission TEN30, reflecting the objective of achieving a sustainable, double-digit return on sales from 2030 onwards.

Strong foundation

Lean and globally consistent processes are the foundation for long-term and sustainable business success. In the course of the company's BIG.2G project, processes are being analysed and harmonised worldwide before being mapped to the new SAP S/4HANA enterprise software – uniformly and efficiently.

KSB aims to achieve the following by 2030:

>10 %
Return on sales

> € 4 billion
Order intake

Top 3
in the markets

Support is provided by six cross-market topics which aim to further optimise KSB's strengths and meet the challenges of the markets with clear targets and approaches.

Focus on customers
KSB has positioned itself as a Fluid-handling Know-how Champion, grouping all of its activities under this banner in order to consolidate the company's comprehensive knowledge, make it available worldwide 24/7 and keep it continuously updated on a qualification platform. The aim is also to make this knowledge tangible for customers.

KSB plans to significantly expand its Best-in-class Digital Customer Experience & Standard Business over the next few years. Its standard business follows a comprehensive, digital and intuitive concept, supported by a product range that meets the most common customer requirements and challenges.

Marketed under KSB SupremeServ, the company's spare parts and service business is a guarantee of satisfaction for KSB customers. Under the overarching title of Aftermarket Champion, KSB is consolidating its efforts to have the perfect solutions on hand for the customer right from the moment they think about buying a new product through to the end of its life cycle – quick, efficient and customer-oriented.

Sustainability and technology leader
When it comes to environmental challenges, the company has set itself ambitious targets along the entire value chain as a Sustainability Champion, stringently pursuing its goals and implementing the associated measures. Its product portfolio thus makes a significant contribution to customers' energy efficiency.

KSB is a technologically advanced manufacturer of pumps and valves. To maintain and further expand this position, under the strategic aspect of Technological Leadership, greater emphasis is being placed on the company's expertise in IIoT (Industrial Internet of Things) while in particular promoting its intelligent products and services.

Market Areas in a Nutshell

Winning with quality
KSB stands for quality in many regards. Thinking more widely about this concept of quality and optimising processes as well as conduct is another objective for the coming years that will enable KSB to set itself even further apart from the competition.

Mining

As the only pump specialist for the mining industry, KSB offers its customers an extensive portfolio for primary and secondary applications.

Learn more

Petrochemicals / Chemicals

KSB is aiming to expand its standard business in the chemical process industry and close regional gaps (USA).

Learn more

General Industry

KSB is systematically implementing its focus on the company's application expertise and positioning itself in new markets and attractive fields of application such as hydrogen, batteries and wind power.

Learn more

Water

KSB is leveraging the potential resulting from megatrends such as climate change and urbanisation – in both its standard and project businesses.

Learn more

Building Services

KSB is the leading supplier of building services products across all building services applications.

Learn more

Energy

As the market leader in all relevant areas of power generation, KSB supplies the markets for thermal power plants and nuclear power plants. It is also expanding into many areas of new energy applications.

Learn more

KSB SupremeServ

KSB SupremeServ is a reliable partner for all users of pumps, valves and rotating equipment.

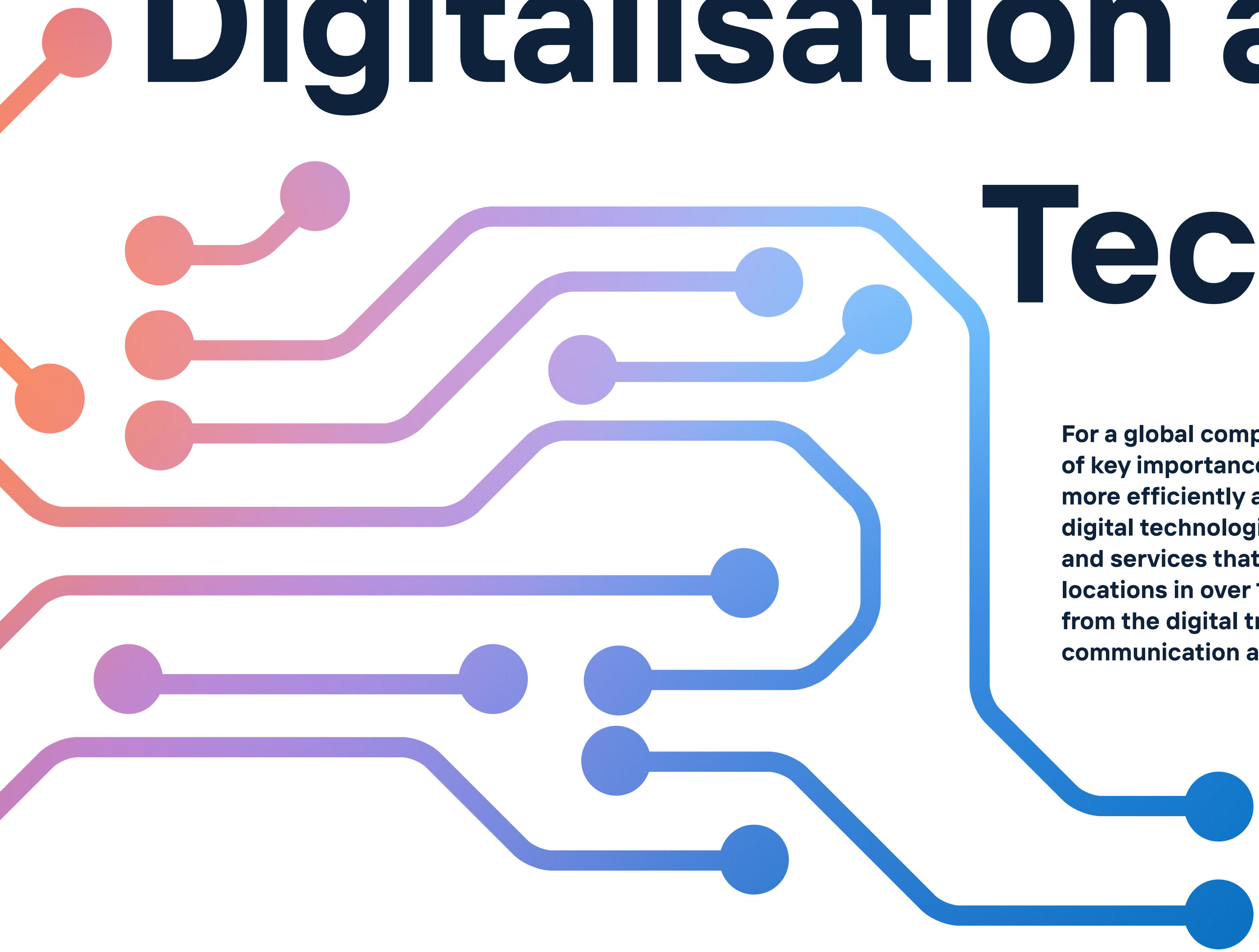
Learn more

Valves

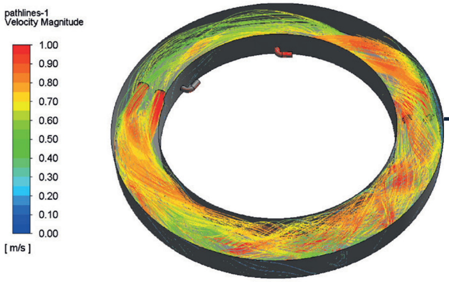
With a comprehensive portfolio of different valve types and technologies, KSB acts as a competent expert for a large number of key applications in the market.

Learn more

Digitalisation and Technology



For a global company like KSB, digitalisation and technology are of key importance, enabling internal processes to be designed more efficiently and customer service to be improved. By using digital technologies, KSB is able to develop innovative products and services that meet the requirements of the market. With locations in over 100 countries, KSB is particularly benefiting from the digital transformation, which facilitates seamless communication and collaboration across continents.

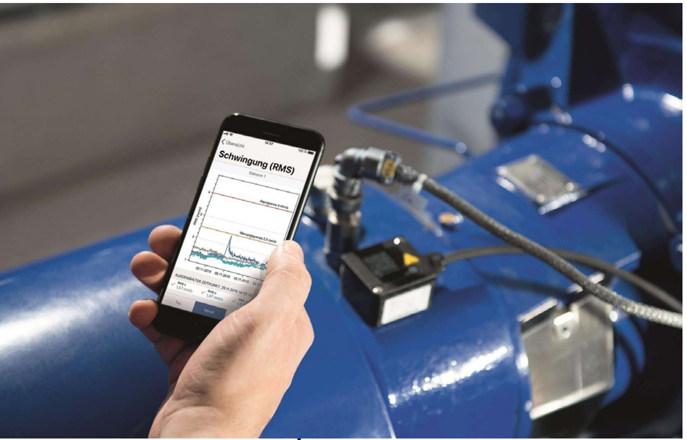


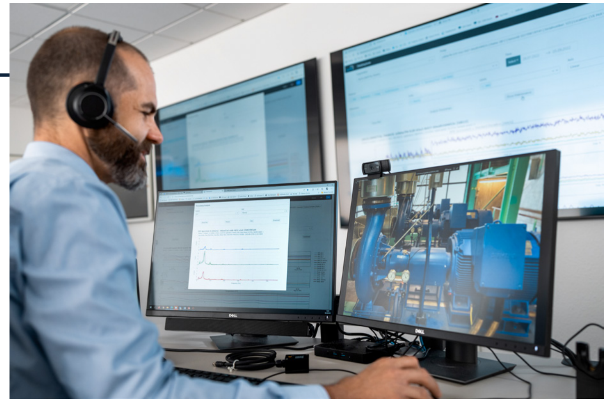
Technical Innovation

Technology is a central pillar in KSB's corporate strategy. KSB is increasing the efficiency, reliability and sustainability of its products through continuous technical innovation, including the areas of hydraulics, materials and automation. KSB offers its customers solutions designed to further increase their efficiency, performance and reliability. Its primary goal is to strengthen the competitiveness of its customers through innovative technology. For KSB, technical progress only serves one purpose: overcoming customers' challenges. To give customers the decisive edge over their competitors, KSB integrates state-of-the-art technologies and processes into its solutions. In order to increase the company's ability to innovate, KSB has systematically digitalised its ideas management system and integrated it into a central innovation platform. It acts as an interface for all topics relating to innovation and knowledge management. The data collected allows KSB to take strategic trend forecasting and technology foresight to a whole new level.

Digital Transformation

Digitalisation brings countless benefits for both KSB and its customers. It promotes innovations that enable KSB products to be optimally operated and utilised to their full capacity, making products and services more efficient, more quickly available and more competitive. At its award-winning Business Innovation Lab in Mannheim, KSB develops new digital products and services. Its innovations are often based on a combination of KSB's comprehensive engineering expertise and the possibilities of new digital technologies. Aiming to harness the full potential offered by the digital transformation, KSB is continuously investing in its own cloud solutions, additive manufacturing and the company's digital infrastructure. Digitalisation forms the foundation for predictive maintenance. When applied correctly and efficiently, predictive maintenance provides various benefits. Through its digital pump solutions and smart services, KSB supports its customers in making their systems fit for the digital future in the long term and reaping immediate benefits.



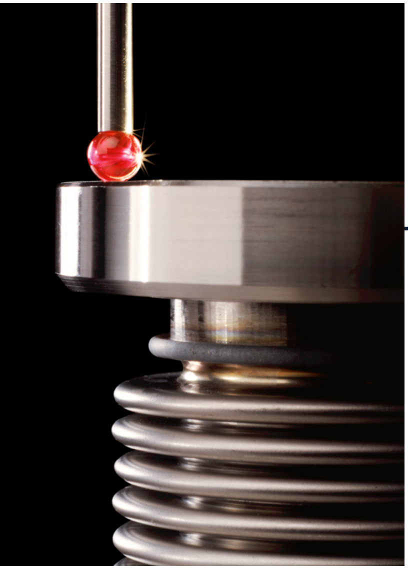


Expert Eyes

At the KSB SupremeServ Monitoring Center, experienced and certified experts continuously monitor pump data. If unusual measurement values are detected, the specialists analyse the causes and provide detailed conclusions about possible anomalies. This helps identify potential problems early on and remedy them before they lead to major disruptions. The KSB SupremeServ Monitoring Center thus makes for greater operating reliability, availability and efficiency of systems.

Real-time Monitoring

KSB Guard was specially developed for pumps and offers numerous advantages. Firstly, it provides a high level of transparency by enabling real-time pump monitoring. Secondly, it increases reliability by detecting problems at an early stage and thus preventing significant damage. Thirdly, it contributes to efficiency by allowing maintenance work to be better planned and reducing downtimes. KSB Guard is environmentally friendly as it helps reduce energy consumption. The tool simplifies and optimises pump monitoring and maintenance.



Quality as a Competitive Factor

For KSB, it is not enough to create products of the highest efficiency and minimal wear. Its focus is always on optimally meeting customers' requirements. In its strategy, KSB has therefore defined quality leadership as one of the brand's six pillars. The company wants to create an awareness for quality-oriented action among its employees. This is a decisive competitive factor because it is only through such a quality culture that products and technologies can be created which meet customers' expectations.

More than just Error-free

Quality means more than just error-free products. It is also about the quality of processes, working conditions such as occupational health and safety and cleanliness, motivated and well-trained employees, customer satisfaction as well as customer support and after-sales service. Quality comprises all aspects of the company – from internal processes to external perception. Quality means meeting customers' requirements.

Combined Separate Non-financial Report

Sustainability is one of KSB's strategic pillars and has always been a key focus of its business activities. The company understands sustainability to encompass environmental responsibility and the responsible use of resources, as well as its responsibility to employees and its corporate social commitment. These topics are covered in this combined separate non-financial report pursuant to Sections 289b(3) and 315b(3) HGB [*Handelsgesetzbuch* – German Commercial Code] and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the Establishment of a Framework to Facilitate Sustainable Investment, and Amending Regulation (EU) 2019/2088 (hereinafter referred to as the EU Taxonomy Regulation). The report fulfils the requirements of the *CSR-Richtlinie-Umsetzungsgesetz* [German CSR Directive Implementation Act] and combines the statement at company level with the Group statement outside of the management report.

For the 2024 Annual Report, KSB has prepared its non-financial report based, for the first time, on the European Sustainability Reporting Standards (ESRS) published by the European Financial Reporting Advisory Group (EFRAG). When preparing the non-financial report, KSB followed the structure of the ESRS as closely as possible to present a full and clear picture of the company's sustainability-related activities, impacts, risks and opportunities, as well as provide guidance for the reader.

By amending its reporting format, KSB acknowledges the importance of the European Sustainability Reporting Standards (ESRS) adopted by the European Commission.

EU Directive 2022/2464 as regards corporate sustainability reporting (CSRD) was not transposed into German law in 2024. Therefore, KSB's reporting continues to be based on the applicable provisions of the *Handelsgesetzbuch* (HGB) and the EU Taxonomy Regulation.

The results of the double materiality assessment required by the CSRD specify which topics are to be reported on in the sustainability report. These topics are presented in detail in the following non-financial report, which is based on the results of the double materiality assessment conducted by KSB at the end of 2023 / beginning of 2024. This non-financial report also contains information in accordance with the requirements of the HGB.

The non-financial report of KSB SE & Co KGaA has been summarised in the separate non-financial report for the KSB Group because a combined Group report is relevant and meaningful for the stakeholders due to the integration of the activities of KSB SE & Co KGaA within the processes of the Group as a whole.

This report has been prepared without an explicitly recognised framework, but is based on the requirements of the ESRS in all material respects. The change of reporting format has been implemented in preparation for the anticipated future mandatory reporting in accordance with ESRS.

It is assumed that reporting will comply with the ESRS as of the coming financial year depending on how the legal situation develops.

Since this is the first time the report has been prepared based on the ESRS, the structure of the report and the presentation of policies, actions and targets cannot be compared with those of previous years. For this reason, previous year disclosures are not presented.
For the current reporting year, KSB has included the following elements:

- A materiality assessment in accordance with ESRS 1, under consideration of double materiality, including an assessment of risks, opportunities and impacts over short-, medium- and long-term time horizons.
- The interests of relevant stakeholders and readers of this report
- Observance of the ESRS structure, in terms of the listed policies, actions, targets and metrics, as part of KSB's due diligence process
- Presentation of relevant indicators and the underlying methodology

For this purpose, KSB applies the double materiality principle and uses the criteria set out in ESRS 1 to assess actual and potential environmental, social and governance (ESG) impacts throughout the value chain (over short-, medium- and long-term time horizons).

The indicators presented in the non-financial report are consistent with the definitions in the ESRS. Any deviations are indicated and explained.

The policies, actions and targets set out in this non-financial report for KSB at Group level are also pursued at the level of the parent company KSB SE & Co KGaA unless expressly stated otherwise.

The results of the Group's policies are comparable in effect to those of KSB SE & Co. KGaA.

Pursuant to Section 289c(1) HGB, the non-financial report must include a brief description of KSB's business model.

Pursuant to Section 289c(2) HGB, the non-financial report must also refer to the following five aspects:

- Environmental matters
- Employee-related matters
- Social matters
- Respect for human rights
- Combating corruption and bribery

In accordance with its business model, KSB supplies customers worldwide with high-quality pumps and valves as well as related support services. The company develops the vast majority of its products itself and manufactures them in factories on four continents. The products are sold via its own sales organisation, supported by dealer networks comprising selected partners. Further details about the KSB business model are provided in the Strategy, Business Model and Value Chain section of the non-financial report.

As a member of the UN Global Compact, KSB commits to aligning its business activities with ten universal principles. The Global Compact principles apply equally to managers and employees throughout the company as well as to all suppliers and business partners.

Risks Related to Non-financial Aspects

KSB has not identified any material risks, as assessed based on the net risk method, associated with its own business and the business relationships of the company or its products and services which, in all probability, have or could have a serious negative impact on non-financial aspects pursuant to Section 289c HGB such as the environment, anti-corruption, human rights, employee concerns and social issues. All other risks affecting business activities are described in the non-financial report and the Risks and Opportunities Report section in the combined management report.

Environmental matters

A detailed presentation of environmental matters is provided in the Environmental Information section below (from page 80) .

Employee-related matters

A detailed presentation of employee-related matters is provided in the Social Information section below (from page 104).

Social matters

Information about social engagement is provided in the Social Information section (from page 129).

Respect for human rights

For more information about policies relating to respect for human rights, see the Social Information section below (from page 122).

Combating corruption and bribery

A detailed presentation of our policy for combating corruption and bribery is provided in the Corporate Governance Information section below (from page 130).

General Information

General basis for preparation of the non-financial report

Framework and data basis

The non-financial report has been prepared on the basis of the European Sustainability Reporting Standards (ESRS) published by the European Financial Reporting Advisory Group (EFRAG). The KSB Group presents the sustainability issues that are material to its business activities and the impacts of these activities on different sustainability matters.

A double materiality assessment (DMA) was conducted to identify the material IROs (impacts, risks and opportunities) and the material topics derived from these, which are presented in the Environmental Information, Social Information and Corporate Governance Information sections.

The implementation process and methodology of the DMA are described in the General Information section.

The reporting of all data points on greenhouse gas (GHG) emissions (Scope 1–3 emissions) is based on the Greenhouse Gas Protocol.

Consolidated Group

This non-financial report has been prepared on a consolidated basis.

The information in this report relates to KSB SE & Co. KGaA and the companies directly or indirectly controlled by it, over which KSB has operational control.

The reporting period for the non-financial report is the 2024 financial year.

The consolidated Group for the non-financial report corresponds in principle to the consolidated Group for the financial statements plus the companies which KSB has not included in the consolidated financial statements for reasons of lack of financial materiality.

This non-financial report includes climate and environmental indicators for new companies or companies acquired in the reporting year, starting from the month in which the company was established or ownership was transferred.

Data from discontinued or closed companies are included for the part of the reporting period in which they were in operation.

The report considers impacts, risks and opportunities for the company's own operations as well as for the upstream and downstream value chain. Due to the complexity of the KSB Group with its many production sites, over 1,800 different products and a variety of supply chains and processes, material business areas and products have been prioritised for simplification purposes. The Workers in the Value Chain section focuses on the upstream value chain in particular.

The policies and directives on climate change mitigation, human rights and corporate governance mentioned in this non-financial report also apply to the upstream and downstream value chain.

In its calculation of Scope 3 greenhouse gas emissions, KSB included the upstream and downstream value chain to produce the material key performance indicators (KPIs) disclosed in this non-financial report.

KSB has opted not to use the safeguard clauses of ESRS 1, Section 7.7 regarding classified and sensitive information, and information on intellectual property, know-how or results of innovation.

KSB has also opted not to use the exemption under Article 19a(3) and Article 29a(3) of Directive 2013/34/EU.

Disclosures in relation to specific circumstances

Time horizons

KSB has adopted the time intervals defined in ESRS 1 Section 6.4 Definition of short-, medium- and long-term for reporting purposes.

Short term: reporting period of the financial statements
Medium-term: up to five years
Long-term: more than five years

In addition to the three time intervals mentioned, KSB needs a fourth period in the risk management process (up to 24 months) within the medium-term horizon due to the legal requirements of insolvency law. This time horizon was also used in the double materiality assessment and the appraisal of risks and opportunities.

Value chain estimation

Do the parameters include data on the upstream and/or downstream value chain, which have been estimated using indirect sources:	☒ YES	☐ NO

Greenhouse gas emission indicators of the upstream and downstream value chain (Scope 3)

The quantification of greenhouse gas emissions in the upstream and downstream value chain in particular is inherently uncertain due to the incomplete scientific basis for determining the emission factors and underlying calculation methodology.

Purchased goods and services (Scope 3.1)

The greenhouse gas emissions calculation for purchased goods and services is based on KSB's global purchasing volume for manufacturing companies. For subsidiaries without detailed financial spend information (non-manufacturing companies), figures have been projected based on the number of employees.

Data have been obtained from the OECD, the European Environment Agency and the US Environmental Protection Agency (EPA).

This methodology is subject to considerable inaccuracies due to the conversion of different currencies and the effects of inflation and projection. However, the impact of price fluctuations in the GHG emissions calculation is mitigated through the use of quarterly price adjustments. Sector averages are also used to calculate greenhouse gas emissions. These averages represent the typical emissions generated during the production of products or services in a particular sector of the economy.

KSB is constantly improving the data basis for purchased goods and services (Scope 3.1) and, in the medium term, aims to replace the current spend-based calculation with a calculation based on the weight of purchased goods. To improve reporting accuracy under the EU's Carbon Border Adjustment Mechanism (CBAM) regulation, KSB plans to train employees and suppliers on CBAM and emissions standards.

Use of sold products (Scope 3.11)

GHG emissions generated by electricity consumption during the lifetime of the products and services sold by KSB to customers in the reporting year fall within this scope.

KSB has developed its own calculation principles for calculating greenhouse gas emissions during the use phase of a sold product (Scope 3.11).

To simplify the calculation, KSB uses specially established average values.

A precise determination of the quantities sold globally for pumps and valves is currently a challenge for KSB. Sufficient quality data was available for production sites connected to the central ERP system (SAP P14). This sales revenue data (sales revenue from SAP P14 and quantities allocated from SAP P14 compared to global sales revenue) was used to project the quantities sold globally.

Due to the high number of pump variants and pump types, additional assumptions were made for average output, degree of use of the electric motor speed control, average annual operating time, service life, and electricity mix or fuel used in power station pumps.

The calculation results are therefore subject to considerable inaccuracies, depending on the global quantities projected, the actual operating conditions of the products and the forecast electricity mix of the regions under consideration.

To improve reporting accuracy, KSB plans to expand the use of Life Cycle Assessments (LCA) for pumps and valves and the internal validation of estimation bases.

Sources of estimation and outcome uncertainty

Due to the length of the non-financial report and the lack of generally accepted reporting standards and practices for specific data, the reported information may be subject to estimates and uncertainties. This results in considerable measurement uncertainty on the following indicators:

- Energy consumption and mix indicators
- Gross Scopes 1, 2, 3 and Total GHG emissions indicators
- Pay ratio indicator ("The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)")

Energy consumption and mix indicators

Energy consumption and the associated environmental impact arise from stationary combustion, the use of electricity and district heating, and the operation of the necessary means of transport.

For the quantification of energy consumption, the 43 material Group companies are consolidated by consultation. The figures for all controlled subsidiaries are projected on this basis.

The 43 Group companies consulted include all companies with energy-intensive production facilities and foundries, all locations with energy-intensive workshops, and all locations with more than 100 employees.

The 43 companies consolidated by consultation cover 92 % of the workforce.

Figures for the remaining companies (small assembly locations, small service locations and sales locations) were projected according to the number of employees using average energy consumption values per employee. The projected energy consumption represents 3 % of the total reported energy consumption across the Group.

The remaining and thus predominant part of the data used to calculate energy consumption is based on measured data.

Estimates and projections are used for the remaining data. Average values per employee are used for these projections based on the measured data.

Stationary combustion: The data quality is based on measured data because the material energy consumption figures for the Group companies consulted originate from the monthly and annual statements of the energy suppliers. Heating oil energy use is calculated based on consumption. Estimates were used in a few exceptional cases (equating to 6 % of the total energy consumption) for the companies consulted and for projecting the figures for companies not consulted. The projections were calculated based on the number of employees per site and average energy consumption values.

Electricity and district heating: The data quality is based on measured data because the material energy consumption figures for the Group companies consulted originate from the monthly and annual statements of the electricity and district heating suppliers. Estimates for the underlying energy consumption were used in a few exceptional cases (equating to 3 % of the total energy consumption) for the companies consulted and for projecting the figures for companies not consulted. The projections were calculated based on the number of employees per site and average energy consumption values.

Operation of the necessary means of transport: The reported energy consumption for the KSB vehicle fleet (in-house vehicle fleet / company cars) is broken down into diesel fuels and liquefied petroleum gas. Estimates were used for a few of the companies consulted (equating to 3 % of the total energy consumption) and for projecting the figures for companies not consulted. The projections were calculated based on the number of employees per site and average energy consumption values.

Gross Scopes 1, 2, 3 and Total GHG emissions indicators

Scope 1 and 2

Energy consumption serves as the material basis for calculating the gross Scopes 1 and 2 GHG emissions. Calculation factors based on industry averages are used for calculating the gross GHG emissions related to energy consumption.

GHG emissions related to the operation of air conditioning systems (fugitive emissions) are also taken into account for Scope 1.

The calculation of fugitive emissions related to the use of air conditioning systems was based on individual estimates of refilling quantities or loss estimates (2 % of the system volume of air conditioning systems) for 20 companies. Calculation factors (DEFRA) were used to convert the estimated refrigerant quantities into CO_2 equivalents. The 20 companies represent approximately 66 % of the total workforce. Figures for the remaining 34 % were projected. Detailed data was not collected due to the low percentage (6 %) of fugitive emissions compared to total Scope 1 GHG emissions and the effort involved.

Scope 3

Various assumptions and estimates were used to quantify Scope 3 GHG emissions.

Purchased goods and services (Scope 3.1)

- Use of sector-specific emission factors supported by publicly available databases or industry benchmarks
- Projection of the global purchasing volume based on the purchasing volume from the production sites

Use of sold products (Scope 3.11)

- Projection of the quantities sold globally
- Use of average values to calculate the energy consumption in the operating phase of the products
- Use of regional electricity mix values and presumed future improvements to the regional electricity mix

Pay ratio indicator

("The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)")

Due to the different remuneration systems in the various countries (consisting of monetary and non-monetary components), it was not possible to calculate the monetary value of the non-monetary remuneration components without undue effort.

In consideration of the effort involved and the informative value of the resulting indicator, KSB decided to deviate from the ESRS requirements and did not produce an estimate for this indicator. The pay ratio is reported on the basis of the direct monetary remuneration components.

Changes in preparation or presentation of sustainability information

This information is not relevant in this reporting year.

Reporting errors in prior periods

This information is not relevant in this reporting year.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

Disclosures pursuant to Article 8 of EU Regulation 2020/852 (Taxonomy Regulation) are published in the Environmental Information section.

The role of the administrative, management and supervisory bodies

KSB is managed as a partnership limited by shares (KGaA). KSB Management SE is responsible for management as general partner. The responsibilities of the bodies are governed by law and the Articles of Association. The Administrative Board determines the basic principles of KSB Management SE's activities and monitors their implementation by the Managing Directors. The Managing Directors conduct the business of KSB Management SE.

The remit of the Supervisory Board of KSB SE & Co. KGaA is to monitor the management of the Company by KSB Management SE as general partner and to provide it with advice on ongoing business operations and long-term development, in terms of strategy and sustainability in particular.

The number of executive and non-executive board members

There are four executive board members; these are the Managing Directors of KSB Management SE. There are five non-executive board members on the Administrative Board of KSB Management SE and twelve on the Supervisory Board of KSB SE & Co. KGaA.

Six of the twelve members of the Supervisory Board are employee representatives and are elected in accordance with the provisions of the *Mitbestimmungsgesetz* (MitbestG) [German Co-Determination Act] of 4 May 1976.

There are no employee representatives on the Administrative Board.

All executive and non-executive members of the respective bodies are familiar with sector-specific topics. They draw on their own experience and a degree of external know-how to perform their duties. No competency profile has been established for the Supervisory Board, the Administrative Board or the Managing Directors.

Through many years of service at KSB and previous activities, all Managing Directors have in-depth knowledge of mechanical engineering and specific knowledge about KSB products and the international regions in which the company operates. Each Managing Director is responsible for specific Market Areas and Regions.

Almost all members of the Supervisory Board have expertise in the metal and electrical industry. Approximately half of the members also have good knowledge of the company's products. All members of the Supervisory Board are familiar with the geographical markets, which in some cases is due to their own international professional experience.

The members of the Administrative Board are also familiar with the metal and electrical industry. Some have specific experience in the industry while others are familiar with the metal and electrical industry as a supplier from their main professional activity. Some members have acquired the necessary industry knowledge from intensive discussions and company reports. All Administrative Board members have also familiarised themselves with the products and the geographical locations and markets.

Gender distribution across the bodies

Body / Gender	Male	Female	Proportion (f/m)
Management of KSB Management SE	4	0	0 %
Administrative Board of KSB Management SE	3	2	40 %
Supervisory Board of KSB SE & Co. KGaA	8	4	33 %

Proportion of independent board members

Five of the six shareholder representatives on the Supervisory Board of KSB SE & Co. KGaA are independent (see breakdown below).

Five of the twelve Supervisory Board members are therefore independent shareholder representatives.

In the reporting year, the Supervisory Board of KSB SE & Co. KGaA consisted of the following members:

- Dr. Bernd Flohr* (Chair)
- Claudia Augustin (Deputy Chair)
- Klaus Burchards*
- Arturo Esquinca*
- Jürgen Walther (until 8 May 2024)
- René Klotz (from 8 May 2024)
- Klaus Kühborth
- Birgit Mohme
- Thomas Pabst
- Prof. Dipl.-Ing. Corinna Salander*
- Harald Schöberl
- Gabriele Sommer*
- Volker Seidel

(* Shareholder representatives who are independent from the company and its general partner as well as from a controlling shareholder)

Four of the five Administrative Board members of KSB Management SE are independent.

Proportion of independent board members

Board	Independent	Dependent	Percentage
Administrative Board of KSB Management SE	4	1	80 %
Supervisory Board of KSB SE & Co. KGaA	5	7	42 %

Administrative, management and supervisory bodies responsible for oversight of impact, risks and opportunities

Supervisory Board

The Audit Committee, which consists of four members of the Supervisory Board, is responsible for auditing the financial reporting and financial statements, including sustainability reporting.

The Supervisory Board of KSB SE & Co. KGaA receives regular reports on business development and strategic matters, assesses risks and opportunities, and monitors the management of the company. The Audit Committee also deals with sustainability-related impacts, risks and opportunities.

Company Management

CEO Dr. Stephan Jörg Timmermann is responsible for monitoring impacts, risks and opportunities on behalf of the Managing Directors.

Management formulated KSB's own corporate sustainability principles in a Group-wide sustainability policy that is binding for all locations and all companies within the KSB Group. In addition, as a signatory to the United Nations Global Compact, KSB is committed to meeting fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. The KSB Code of Conduct similarly sets out clear principles that are an integral part of the employment contract of all employees and govern human rights, environmental protection, anti-corruption and occupational health and safety matters.

The Managing Directors of KSB Management SE manage the Group's business and regularly assess material internal and external impacts on the business as well as risks and opportunities. This includes sustainability-related impacts, risks and opportunities. The Managing Directors also develop the strategy for the further development of the company.

The results of the double materiality assessment (DMA) were presented to, discussed and approved by the Managing Directors and the Audit Committee of the Supervisory Board.

In addition, a Sustainability Committee chaired by the CEO regularly reviews progress on sustainability issues and the achievement of Group-wide sustainability goals. A Global Sustainability Network with representatives from all nine KSB Regions ensures that sustainability issues are driven forward in their Regions. Its members report on progress, local initiatives and actions, as well as target achievement status. Management also receives a compliance report twice a year as well as an annual review of management issues relating to quality, the environment and occupational health and safety. The Sustainability Committee includes the CEO and management staff from Human Resources, Legal & Compliance, Production, Product Management, Procurement, Communications, Strategy and Integrated Management.

Implementing the actions is the responsibility of individual functions, regions and locations. Their role is to develop roadmaps and implementation plans and report on these regularly to the Sustainability Committee and Global Sustainability Network.

The targets relating to material impacts, risks and opportunities are set by Management.

The Administrative Board of KSB, the Managing Directors and the senior executives (the Sustainability Committee in particular) of KSB SE & Co. KGaA use the following mechanisms to oversee the setting of targets related to material impacts, risks and opportunities, and monitor progress towards them:

Strategic planning and setting of targets

As part of its strategic planning, KSB's Administrative Board sets specific sustainability goals for the Managing Directors based on the material impacts, risks and opportunities. These goals are part of the company's overall strategy and are reviewed regularly.

Some findings from the double materiality assessment still need to be formulated and discussed for inclusion in future strategic planning and targets.

Regular reporting and monitoring

Regular reports are prepared on progress made towards achieving the sustainability goals. These reports are reviewed by the Managing Directors, Administrative Board and executives at top management level to ensure that the targets are met.

Focus of the work performed by the bodies

The Supervisory Board oversees the activities of Management in ongoing business, strategic development and sustainability. The Supervisory Board's Audit Committee has audited the non-financial report for many years and thus has special expertise in sustainability, relying on both internal and external know-how. The Chair of the Audit Committee also completed a training course on sustainability reporting in 2024.

Sustainability is an important aspect of the company's strategic development, for which the Administrative Board bears responsibility. The sustainability policy is one of the central strategic topics of the Mission TEN30 corporate strategy adopted by the Administrative Board in 2023. By virtue of its personnel decision-making and remuneration authority concerning the Managing Directors, the Administrative Board also steers the company's sustainability agenda by setting the sustainability goals for the variable remuneration of the Managing Directors.

Sustainability-related expertise

The Administrative and Supervisory Board members and the Managing Directors of KSB SE & Co. KGaA either have direct sustainability expertise or can access such expertise through various means.

Direct expertise

Some board members have extensive experience and knowledge in sustainability and ESG through their work as auditors, for example, or from their managerial positions at other companies or institutions. Since no detailed competency profile has yet been defined, it is not currently possible to describe how the skills and expertise available at the company relate to its material impacts.

Access to experts

The bodies have access to external experts and consultants specialising in sustainability and ESG. These experts support the bodies with the evaluation and implementation of sustainability policies and actions.

Basic training and advanced training

The Chair of the Audit Committee completed a training course on sustainability reporting in 2024.

Members of the governing bodies (Administrative Board, Supervisory Board and Managing Directors) also have access to reports from internal experts at the company to expand their sustainability-related knowledge.

Since no competency profiles have yet been defined for the individual board members, this report does not include detailed disclosures on how the skills and expertise of the administrative, management and supervisory bodies relate to the material impacts, risks and opportunities. It is not currently possible to determine how the individual skills and expertise relate to the respective IROs.

The role of the administrative, management and supervisory bodies related to corporate governance

The role of the administrative, management and supervisory bodies related to corporate governance has already been described in the General Information section.

The administrative, management and supervisory bodies can access internal expertise (for example, the Group Compliance Officer) and external expertise (for example, the Ombudsperson) relating to corporate governance at any time.

In addition, the following individuals have appropriate expertise on corporate governance matters:

- The Chair of the Supervisory Board, Dr. Flohr, has relevant expertise on corporate governance matters as a former Executive Board member of WMF AG.
- The Chair of the Audit Committee, Mr. Burchards, has relevant expertise on corporate governance matters due to his former position as an auditor.
- CEO Dr. Stephan Jörg Timmermann has relevant expertise on corporate governance matters due to his long tenure as CEO.

Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies

The CEO is informed about developments related to sustainability matters (once a year) by the Sustainability Committee and at least once a quarter by internal experts.

The Administrative Board is informed regularly, at least once a year, by the Managing Directors – acting through their spokesperson – about company-related matters concerning sustainability, the impact, risk and opportunity situation, and compliance, about extraordinary events that are of particular significance for the general partner or KSB SE & Co. KGaA, as well as about material deviations of business performance from the plans and targets set.

The Administrative Board usually meets once a month.

In 2024, sustainability, including material impacts, risks and opportunities, was the focus of one Administrative Board meeting. The Managing Directors and an internal expert also informed the Administrative Board about progress in implementing the regulatory requirements and discussed needs for action and goals with the Administrative Board.

On the agenda were the process and results of the completed DMA as well as goals and further development associated with the topic of sustainability.

The Supervisory Board met five times in 2024, also addressing the development of business activities and sustainability issues in the context of the board's oversight responsibilities. The Managing Directors reported on sustainability issues in two of the five meetings.

Sustainability reporting was an even bigger focus for the Supervisory Board's Audit Committee. In 2024, sustainability topics were addressed in three of the five meetings with internal or external experts called in to discuss the topics in each case.

These three meetings focused on the process and results of the double materiality assessment, related impacts and risks, and the further development of related targets.

The committee therefore regularly addressed reported impacts, risks and opportunities. The impacts, risks and opportunities reported included environmental, social and governance factors.

The Managing Directors, Administrative Board and Supervisory Board do consider impacts, risks and opportunities when monitoring the corporate strategy, by tracking the targets set (for GHG emissions reductions, workplace accident prevention, increasing the representation of women in management, for example) and defining corresponding actions. They also consider ESG-related aspects when overseeing potential company acquisitions (major transactions) and consult with external advisors in this regard. KSB's risk management processes also take ESG-related aspects into account.

ESG-related aspects and trade-offs associated with these are not yet systematically considered within the scope of decision-making on bid submissions or other investments.

Since a double materiality assessment (DMA) was carried out for the first time for the 2024 financial year, the Managing Directors, Administrative Board and Supervisory Board have addressed the entire list of material impacts, risks and opportunities identified in the DMA.

Integration of sustainability-related performance in incentive schemes

There is a link between remuneration and the achievement of sustainability goals:

For Managing Directors:	☒ YES	☐ NO
For members of the Administrative Board of KSB Management SE:	☐ YES	☒ NO
For members of the Supervisory Board of KSB SE & Co. KGaA:	☐ YES	☒ NO

The Managing Directors are awarded variable remuneration, which includes a short-term component (15 % of the regular annual remuneration) and a long-term component with a three-year assessment period (25 % of the regular annual remuneration).

Sustainability goals are part of the long-term component (5 % of the regular annual remuneration).

The remuneration of the Administrative Board and Supervisory Board does not include variable components linked to sustainability goals.

The agreed, remuneration-related sustainability goals for the years preceding the reporting year were:

- Reduce CO_2 emissions from the production sites
- Develop a policy for the strategic pursuit of environmental objectives in line with the Mission TEN30 corporate strategy
- Improve occupational health and safety / reduce work-related accidents and days lost due to accidents
- Improve employee satisfaction

There is, as yet, no explicit, long-term link between the company's sustainability goals defined in accordance with the sustainability reporting process and the variable remuneration system of the Managing Directors. However, some ESG-related aspects (see above) are already included in the annual goals defined for the Managing Directors.

The achievement of ESG-related sustainability goals is part of the long-term variable remuneration with a weighting of 20 %.

The Administrative Board of KSB sets the sustainability goals and controls the remuneration system for the Managing Directors.

Before the three-year assessment period, the Administrative Board sets a number of specific ESG-related sustainability goals, which it selects from a list of predefined goals based on KSB SE & Co. KGaA's sustainability focus topics.

The Administrative Board ensures that these goals are clearly defined and measurable.

Integration of climate change-related considerations in incentive schemes

In the 2024 reporting year, climate change-related considerations were not part of the remuneration components of the Managing Directors.

The remuneration of the Administrative Board and the Supervisory Board does not include any variable components that are linked to climate change-related considerations.

Risk management and internal controls over sustainability reporting

Internal controls

The company is currently identifying process-based risks and developing controls for sustainability reporting processes. Controls for consolidated energy data and the GHG emissions calculation were implemented for the reporting year. These are largely internal downstream manual controls. The development and implementation of further controls is planned for the coming year.

The introduction of processes and implementation of further controls, for example for topics mentioned in the Company's Own Workforce section, are also planned for the coming reporting year.

All current and future controls associated with sustainability reporting are or will be implemented at local, regional and central level within the Group.

The processes and process-based risks and controls currently implemented relate to the data points in the Climate Change section of the report. The controls relate to KSB subsidiaries and locations operationally controlled by KSB.

Process-based risks are classified into three categories, High, Medium or Low, according to an assessment matrix. The resulting risk category depends on the likelihood of occurrence and impact.

For process-based risks rated as High, a key control is required to review the appropriateness check in an annual process discussion involving the specialist departments and ICS team. The ICS team oversees the testing of such controls. These process discussions are held after three years for medium-risk categories and after four to five years for low-risk categories.

In sustainability reporting, risks arise in connection with the process-related sequence in which information is obtained and processed.

This results in the following risk categories in KSB's internal control system for sustainability reporting:

- Data identification
- Data collection
- Data validation and verification
- Data preparation and consolidation
- Reporting and communication

Different types of controls are assigned to the identified process-based risks. Each control is assigned a control objective and a corresponding control activity.

Control owners in the ICS test the controls for their appropriateness and effectiveness.

If a control is found to be ineffective or inappropriate, an action is triggered in the ICS to improve it. The control owner and ICS team monitor implementation of the control.

There is currently no rule-based, organised integration of internal functions and processes. A rule-based review of the process-based risks identified in the 2024 reporting year and the controls implemented is planned for the following reporting year.

There is currently no rule-based reporting on the sustainability-related ICS to the administrative, management and supervisory bodies.

Risk management

The approach used to assess risks and opportunities is described in the "Description of the processes to identify and assess material impacts, risks and opportunities" section.

Strategy, business model and value chain

Key elements of the general strategy that relate to or affect sustainability matters

KSB's long-term corporate strategy, Mission TEN30, reflects the company's strong commitment to sustainability and the importance of sustainability in today's business world.

The key elements of the current strategy and Mission TEN30 strategy for 2030 that relate to or affect sustainability matters include:

KSB's contribution to the United Nations' Sustainable Development Goals (SDGs):
The KSB corporate strategy defines sustainability goals based on the Sustainable Development Goals for some of the company's material impacts.

These form the basis for initial approaches to integrating environmental, social and governance matters into the company's decision-making processes.

In 2019, KSB formulated nine sustainability goals that the company wants to achieve by the end of the 2025 and 2026 financial years. A revision of these sustainability goals is now required following the double materiality assessment, which was completed for the first time in the 2024 financial year, and the CSRD-compliant energy consumption and greenhouse gas emissions calculation. KSB will complete this revision in the 2025 financial year.

Innovation for sustainability
KSB's research and development activities focus on developing environmentally friendly and energy-efficient pumps, valves, motors, and fluid and monitoring equipment.

KSB's applications focus is squarely on the evolving sustainability-related requirements in the market segments.

Core applications of the Market Areas include

- Flood control, water supply and treatment
- Solutions for the sustainable mining and processing of battery active materials
- Carbon capture, utilisation and storage (CCUS) applications to support the shift to renewables
- Green technologies of the future, such as the production and transport of hydrogen for example
- Smart, efficient and secure building infrastructure
- Innovative valve solutions
- Services to improve systems efficiency

Stakeholder engagement
KSB actively engages with its stakeholders, including customers, suppliers, employees and the local communities in which it operates. This engagement gives KSB a better understanding of stakeholders' sustainability-related expectations, which can then be taken into account in strategic planning.

Continuous improvement
KSB's strategy is to promote a culture of continuous improvement with a focus on regularly assessing and improving its sustainability practices. This includes monitoring the key performance indicators (KPIs) of KSB's nine sustainability goals, which are based on the 17 Sustainable Development Goals (SDGs) of the United Nations, defining and tracking actions, and transparently reporting on progress in the KSB Sustainability Committee.

Sustainability in the supply chain
KSB works closely with suppliers to ensure their adherence to ethical and sustainable practices. This includes checking ESG-related aspects, promoting fair working practices and minimising the environmental impact of the materials and components they supply.

Overview of relevant product groups and services and significant markets and customer groups

KSB organises its activities in the following Segments: Pumps, Valves and KSB SupremeServ. The Pumps Segment is broken down further into Market Areas.

KSB-relevant Market Areas are:

- Building Services
- Water
- General Industry
- Mining
- Energy
- Petrochemicals / Chemicals

KSB is one of the world's leading suppliers of pumps, valves and related systems. Customers value the quality and efficiency of its products. It also offers a broad service and spare parts portfolio to users of these products.

For KSB's industrial customers, pumps and valves are often vital components in the smooth operation of their plants. They place their trust in the reliable quality of KSB products.

Wherever the customers are, KSB is there, too. This physical proximity allows us to devise customised solutions for every regional and industry-specific requirement.

Were there any material changes in the groups of products and services offered in the reporting period?	☐ YES	☒ NO

Number of employees by geographical area

Total number of employees	**17,108**
Region Europe	8,732
Region Asia / Pacific:	4,650
Region Middle East / Africa	1,117
Region Americas	2,609

KSB's segment reporting is prepared in accordance with IFRS 8.

Segment reporting

	Order intake	**Sales revenue**	**EBIT**
€ millions	2024	2024	2024
Pumps Segment	1,659	1,551	41
Valves Segment	407	399	-1
KSB SupremeServ Segment	1,048	1,016	204
Total	3,114	2,965	244

Reporting according to ESRS sectors is not yet possible because binding definitions of these sectors do not currently exist.

Sales revenue across all business areas of the KSB Group relates to the mechanical engineering sector. During the reporting period, none of the KSB Group's business operations were involved in or generated sales revenue from fossil fuel production, chemical production, the cultivation and production of tobacco, or the production of controversial weapons.

Sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders

KSB has defined the following goals specific to these matters based on the Sustainable Development Goals (SDGs):

Company

KSB attaches great importance to climate change mitigation and minimising the negative impacts on people and the environment. The company has therefore defined specific goals for reducing CO_2 emissions at its production sites. In the reporting year, it was decided that, in the future, these goals would be aligned with the standards of the Science Based Targets initiative (SBTi) to keep greenhouse gas emissions below the 1.5°C threshold.

Employees

Employees are a key success factor for the company. KSB has thus formulated ambitious goals to increase employee satisfaction and engagement. These include the provision of comprehensive training opportunities, promoting gender diversity, including increasing the representation of women in management in particular, and ensuring health and safety in the workplace.

Suppliers

Suppliers play a key role in KSB's value chain. To ensure that its upstream value chain meets ethical and sustainable standards, KSB monitors specific ESG-related aspects at its suppliers with a special focus on the promotion of fair working practices and minimisation of environmental impacts.

As part of its sustainability policy, KSB has assessed its key products and services to analyse their contribution to long-term sustainability goals.

KSB products, especially in the Pumps and Pump Systems Segment, play a crucial role in achieving climate goals, as they are designed to improve efficiency and reduce environmental impact.

KSB's high-efficiency pumps, for example, directly reduce energy consumption, which can result in significant CO_2 emissions savings in the operating phase. These products also address markets with considerable resource conservation potential, for instance in water supply, energy supply and industrial applications.

Significant customer groups served by KSB include industrial customers, municipal utility companies and private consumers, who increasingly value energy and resource-saving solutions. KSB works hard to provide these customers with innovative, sustainable solutions that reduce their environmental footprint and contribute to the achievement of global climate goals.

KSB also focuses on improving the sustainability of services. For example, through maintenance, training and consultation services, the company helps its customers achieve their own sustainability goals.

These KSB services are an integral component of the company's commitment to maximising the functional life of products and minimising environmental impacts throughout their life cycle.

Material challenges

Energy consumption
The production and operation of pumps and valves is extremely energy-intensive. Consequently, there is a need to reduce energy consumption and gradually transition from conventional electricity to renewable energies. Using renewable energies will permit a substantial reduction in the greenhouse gas emissions generated during production and operation.

Gender diversity in the mechanical engineering industry
Women are under-represented in the industry due to a lack of attractiveness of STEM (science, technology, engineering and mathematics) professions. This is a challenge that needs to be addressed in recruitment and in consideration of the long-term retention of female talent.

Sustainability in the supply chain
Due to the high complexity and number of suppliers, improving sustainability standards in the supply chain is a challenge for KSB.

Solutions

Energy efficiency measures and renewable energies
Negative environmental impacts can be reduced by adopting energy-efficient production processes and machinery and by implementing energy management systems to monitor and reduce energy consumption. Using renewable energy sources will also contribute to this.

Promoting gender diversity
Setting up an internal women's network supports women by encouraging dialogue, mentorship and career development. Other actions include targeted training and recruitment initiatives.

Optimising the supply chain
Working with suppliers improves sustainability standards across the supply chain.

Projects

Research and development for sustainable products
Investment in R&D helps to drive the development of new, environmentally friendly pumps and valves. The focus is on products that consume less energy.

Energy and environmental management systems
Implementing ISO 50001 – Energy management systems and ISO 14001 – Environmental management systems allows energy consumption and environmental impact to be monitored and reduced.

Digitalisation and Industry 4.0
Using digital technologies and automation makes production processes more efficient while data analyses support the optimisation of operations and identification of potential savings.

An internal KSB women's network
Setting up a platform promotes dialogue and networking among female employees. Implementing programmes improves the work environment and long-term retention of female talent. There are also initiatives to increase the visibility and influence of women in the company.

Training and awareness programmes
Training for employees teaches sustainable practices and improves environmental awareness. Dedicated training promotes a corporate culture that prioritises sustainability.

Risk management in the supply chain
The introduction of a software solution for the sustainability screening of suppliers improves coopera-tion on sustainability standards within the supply chain.

KSB business model and value chain

KSB's mission is to supply customers around the world with top-quality pumps, valves and related systems. It also offers a broad service and spare parts portfolio to users of these products.

Inputs
Materials and resources: For the manufacture of pumps, valves and related systems, the KSB Group sources high-quality materials (metals and engineering plastics for the most part) as well as components (hydraulic parts, electric motors and seals) from selected suppliers.

Collection, development and security of supply

- Collection: By maintaining a regional and, in part, global network of suppliers, KSB ensures that the quality raw materials and components it requires are available on time. Suppliers are carefully audited and selected according to internal KSB standards.

- Development: Research and development (R&D) play a central role in the continuous improvement of materials and components. KSB invests in innovative technologies such as 3D component printing.

- Security of supply: To minimise supply chain risks, the company has established robust processes and backup systems for critical components, including long-term supply agreements and alternative sources of supply.

Outputs

Products and services

The KSB Group supplies a wide range of products, including pumps, valves and complete system solutions, which are used in industries such as the energy, water and process industry, mining and building services. The company also has a comprehensive range of services and spare parts to extend product life cycles and increase efficiency.

Outcomes and benefits

- For customers: The KSB Group offers reliable, high-quality, sustainable products and services. Customers benefit from increased efficiency, lower operating costs and an improved environmental footprint.

- For investors: The company’s robust business performance, supported by innovative technologies and a diversified portfolio, creates long-term value creation and stability.

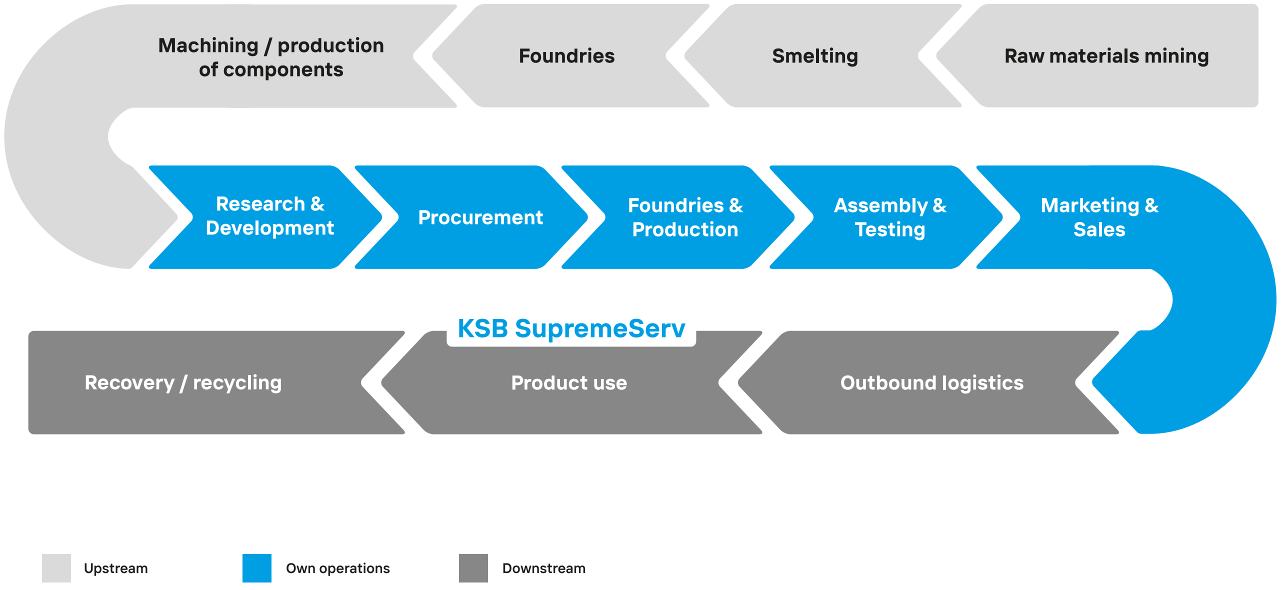
- For other stakeholders: The KSB Group creates attractive jobs for local communities.

The KSB value chain

When preparing the non-financial report, the upstream and downstream value chain was taken into account alongside the company’s own operations. The value chain is also a central element of the KSB sustainability policy.

The value chain in the manufacture of pumps, valves and systems includes various upstream, own and downstream operations that are closely interlinked.

Value chain: Processes detail view



Upstream activities
Raw materials mining:
- Mining companies that mine iron and ore deposits, for example

Smelting:
- E.g. steelworks that produce crude steel from iron ore

Foundries:
- Entities that process crude steel into castings for pumps and valves, for example

Machining and production of components:
- Mechanical engineering companies that produce precision components by milling, turning and grinding
- In addition to main component suppliers, there are also companies that supply seals, screws, electronic motors and controls, and other smaller components

Inbound logistics:
- Logistics companies that organise the transport of raw materials and components to KSB's production facilities

Own operations
Research and development (R&D):
- Development of new valve and pump technologies to improve product efficiency and performance

Procurement:
- Selecting and managing suppliers, negotiating contracts and ensuring availability

Foundries and production:
- Internal KSB foundries for the production of special castings as well as for the production and machining of components

Assembly and testing:
- The various components are assembled into finished pumps and valves.
- Quality assurance and testing to ensure that products meet the requirements

Marketing and sales:
- Promoting products, acquiring new customers and maintaining good relationships with existing customers
- Selling directly to B2B customers or via distributors and dealers

KSB SupremeServ (service, customer service and support):
- Providing installation services, maintenance, repair and technical support
- Technical support and customer training

Downstream activities
Outbound logistics:
- Organising the transport of finished products to the customers

Product use:
- Companies that use the pumps and valves in their processes and applications

Recovery / recycling:

- Recycling and waste disposal companies that accept products at the end of their life cycle and enable the recycling of materials

Key players and their relationships

Suppliers

- Main components made from iron and steel and important parts: Long-term contracts and close cooperation to ensure a continuous supply of high-quality materials
- Motor suppliers: Specifications and joint development projects to optimise pump and pump system motors

Customers

- Industry customers: Regular replacement and adaptation of products to specific industry requirements
- Technical support and training to ensure optimal use of the products

Service providers

- Logistics companies: Cooperation for efficient and timely delivery of materials and finished products
- Recycling companies: Cooperation on the environmentally sound disposal and recycling of end-of-life products

Relationships with the company

Cooperation and communication
Regular meetings and agreements with suppliers and customers to optimise quality and delivery times

Quality management
Strict controls and audits of suppliers as well as extensive checks during production to ensure high quality and sustainability standards

Customer satisfaction
Proactive customer service and technical support to ensure customer satisfaction and long-term loyalty

Innovation
Constant investment in research & development to maintain the competitiveness of products and solutions

The value chain presented above illustrates the relationships and dependencies required for the successful production and supply of pumps and valves and the related service provision. It shows how cooperation along the value chain, from the procurement of raw materials to the provision of services, helps to ensure a smooth and efficient process.

Potential impacts, risks and opportunities in mechanical engineering and their possible relationship to the business model and value chain

For KSB, there are potential impacts and risks that are closely linked to the business model, activities in the mechanical engineering sector and the related value chain. The material impacts and risks are as follows:

- Potential human rights violations (workers in the value chain, upstream): There are risks in the upstream supply chains, in connection with the extraction of raw materials for example.
- PFAS risk (pollution, upstream): The purchase of components containing PFAS (per- and polyfluoroalkyl substances) poses a potential material risk.
- High energy consumption and GHG emissions (upstream, own operations, downstream): Energy-intensive manufacturing processes and associated emissions as well as emissions in the supply chain and during the use of the products are significant.
- Water consumption (upstream): High water use in production and material processing can impact the environment.
- Work-related accidents and safety (own workforce and workers in the upstream value chain): There are safety risks both in the company's own production facilities and at suppliers.

Interests and views of stakeholders

Stakeholder engagement is important to KSB to take into account the expectations and needs of all relevant groups in the interests of sustainable and future-oriented business development.

The key stakeholders of KSB include:

- Customers
- Employees
- Investors
- Suppliers (tier 1)
- Workers in the value chain
- State
- Society (non-governmental organisations, media, local community, analysts, competitors, political parties)
- Trade unions

KSB actively engages with different categories of stakeholders, including economic, social and environmental stakeholders who interact directly or indirectly with the company.

This engagement takes the form of:

- Meetings and discussions
- Participation in conferences and industry gatherings
- KSB-hosted workshops
- Use of feedback mechanisms such as surveys and feedback via digital channels

KSB communicates with stakeholders to:

- Identify their interests and expectations at an early stage
- Anticipate developments in relevant areas
- Better assess risks and opportunities for the company
- Make sustainable decisions that safeguard the company's long-term success

The feedback from stakeholders is:

- Incorporated within development of the strategy and adaptation of the business model
- Taken into account when setting priorities for sustainability and innovation projects
- Used to improve products and services
- Used to support internal decision-making processes and communication with stakeholders

Overview of views of stakeholders

Stakeholders	Why it is important to include the views	How KSB interacts with stakeholders
Customers	For KSB, understanding customer needs and requirements is key and the only way to ensure that KSB's products and services meet customer expectations.	Customer surveys and interaction during the product development process Regular discussions with customers (sales and service activities)
Employees	Sustainable business growth depends on the employees. Employee views, ideas and concerns therefore help drive KSB's strategy and ensure the company's long-term success. The results from the Leadership & Culture part of the regular KSB Voice employee engagement survey indirectly influence the corporate strategy. Management also regularly communicates important corporate decisions and information to employees using the internal KSB communication format Let's Talk.	Employee surveys (KSB Voice engagement surveys) Employee events (first joiner days) Employee dialogue and networks Discussions with employee representatives (Group Works Council, General Works Council, local employee representatives, representatives for severely disabled employees and younger employees) Digital communication channels (KSB Intranet)
Investors	Investors play a central role in the company's long-term financing and strategic growth. Their expectations concerning financial performance, risk management and sustainability significantly influence the corporate strategy. Transparent communication and the inclusion of environmental, social and governance criteria are therefore crucial for investor trust and support.	Regular reporting (quarterly and annual reports) Investor conferences and annual general meetings One-on-one meetings with institutional investors
Suppliers (tier 1)	Suppliers have a major influence on the quality and environmental impact of KSB products. The consideration of relevant sustainability aspects and potential risks based on the standardised supplier management process is therefore an integral part of the supplier selection process.	Dialogue with suppliers in operational procurement meetings Through strategic meetings and framework agreement meetings
Workers in the value chain	KSB acknowledges its responsibility for all workers in the value chain and aims to avoid negative impacts. This calls for direct discussions with affected workers.	In the reporting year, KSB established a management system to identify negative, risk-based impacts across the value chain.
State	Maintaining a line of communication with state institutions is essential to ensure that KSB meets all regulatory requirements and actively participates in political processes relating to environmental, labour and industrial policy. This helps the company adapt to changes in the law and develop long-term, legally compliant strategies.	Regular meetings with authorities Participation in industry associations and consultations on new laws Cooperation in public-private partnerships.
Society (non-governmental organisations, media, local community, analysts, competitors, political parties)	Corporate social responsibility is at the heart of KSB's business operations. It is important to understand societal expectations relating to corporate social responsibility, environmental protection and ethical action, and for the corporate strategy to reflect these. Social acceptance and a positive image strengthen trust in the company.	Engagement with local communities Corporate social responsibility (CSR) projects Participation in public discussions and initiatives
Trade unions	Trade unions represent the interests of employees and play an important role in negotiations on working conditions, pay and social security. Constructive dialogue with trade unions contributes to the creation of a fair, safe and inclusive work environment and helps resolve potential conflicts at an early stage.	Regular dialogue and negotiations with trade unions Discussions with employee representatives (e.g. works council, industrial relations manager) Joint working groups

KSB analyses the interests and views of its key stakeholders in the course of due diligence and the double materiality assessment. The most important insights from stakeholders are as follows:

Stakeholders	Requirements and expectations
Customers	On-time deliveries Products and services as ordered Fast and competent after-sales service Reasonable prices Extensive product information Transparent corporate governance Qualified employees Nuclear safety Data and information security Adaptation due to climate change IT and data security
Financial markets (Shareholders, banks, insurance companies)	Shareholders: Positive image of KSB Retention, payment of interest and increase in the value of invested capital An appropriate and effective risk management system Transparent corporate governance Adaptation due to climate change Protection from cyberattacks Banks: Retention and payment of interest on the financial resources provided (as credit lines or sureties for example) Insurance companies: Protection of the company Avoidance of financial damage for KSB Adaptation due to climate change Protection from cyberattacks
State (Authorities, tax authorities)	Authorities: Full implementation of legal and other requirements Transparent corporate governance Positive contributions to the infrastructure Payment of social benefits Compliance with the fundamental Conventions of the ILO Timely communication / information Appropriate and effective risk management Nuclear safety Data and information security Tax authorities: Tax revenue
Suppliers (Suppliers, service providers)	Suppliers: Clear specifications Reasonable delivery time Payment as per agreement Prompt notification of defects Data and information security Service providers: Clear order details Favourable conditions Payment as per agreement Safety at the Workplace Good infrastructure Good planning of working hours Data and information security
Workers in the value chain	Health and safety at the workplace Exploitation prevention Freedom of association and collective bargaining Grievance mechanisms Transparency and traceability Consideration of gender and diversity aspects
Society (Non-governmental organisations, media, local community, analysts, competitors, political parties)	NGOs: Information about activities No environmental impact Adaptation due to climate change Assumption of social responsibility Nuclear safety Media: Information about activities, objectives, results and strategies Adaptation due to climate change Local community: Guarantee of safety and reliability Information about activities at the location No significant environmental impact Assumption of social responsibility Analysts: Transparent financial indicators with a positive trend Transparent ESG reporting Transparent strategic direction Appropriate and effective risk management Adaptation due to climate change Competitors: Fair business conduct Political parties: Full implementation of legal and other requirements Preservation of jobs Protection of the environment and social inclusion Transparent corporate governance Compliance with the fundamental Conventions of the ILO Timely communication / information An appropriate and effective risk management system Qualified employees

Stakeholders	Requirements and expectations
Stakeholders: Employees, Supervisory Board and Administrative Board (top management, middle management, non-managerial employees, Supervisory Board and Administrative Board)	Top management: Decision-making autonomy Good income Development of their own ideas and skills Compliance with defined processes Full implementation of strategic decisions Appropriate and effective risk management Adaptation due to climate change Data and information security Middle management: Good income Decision-making autonomy Development of their own ideas and skills Safety at the workplace Non-managerial employees: Good income Safety at the workplace Social security Safety at the Workplace Good working atmosphere Opportunities to maintain and further develop skills Good infrastructure Good planning of working hours Poss. adaptation of workplaces to climate change Privacy Supervisory and Administrative Board: Transparent financial indicators with a positive trend Positive image of KSB Innovative products Transparent strategic direction Appropriate and effective risk management Adaptation due to climate change Data and information security

Stakeholders	Requirements and expectations
Stakeholders: Interest groups (industry associations, trade unions)	Industry associations: Positive image of KSB Engagement with association work Transparent corporate governance Trade unions: Job security Safeguarding of social benefits and income Accident prevention Preventive healthcare Compliance with the fundamental Conventions of the ILO Poss. adaptation of workplaces to climate change

The double materiality assessment (DMA) confirmed that no material adjustments are currently required to the strategy or business model. It supported the existing strategic direction. Stakeholders will continue to be consulted on their interests and their responses will contribute towards the development and adaptation of the long-term strategy and business model.

The Supervisory Board and Management are updated on the sustainability views and expectations of the stakeholders several times a year by the CEO, who receives reports from the members of the Sustainability Committee once a year. The CEO also receives a monthly update from a sustainability representative from the Group's Strategy department.

Interests and views of stakeholders (own workforce)

For KSB, satisfied and qualified employees are essential for a sustainable and future-oriented business model. KSB therefore takes into account the interests, views and rights of its employees in various ways to ensure that their needs are fully met:

- Employee dialogue and networks: Open communication formats promote a continuous dialogue between employees and management.
- Cooperation with workers' representatives using Germany as an example: Discussions take place several times a year with local works councils, the Group Works Council and General Works Council and local representatives (e.g. representatives for severely disabled employees and younger employees). These representatives are involved in strategic decisions, especially on working conditions and social benefits.
  Comparable formats are also implemented in other countries, adapted to local conditions.
- The workers' representatives on the Supervisory Board are appointed in accordance with the *Mitbestimmungsgesetz* [German Co-Determination Act].
- Digital communication channels: Use of the KSB Intranet enables transparent communication and a rapid exchange of information.

Incorporation in strategy and business model: The feedback from discussions and other forms of interaction is incorporated into the design of the work environment and contributes towards the company's strategic direction. Respect for human rights, compliance with international labour standards, including the fundamental Conventions of the International Labour Organisation (ILO), non-discrimination policies and equal opportunities in the workplace are of particular importance.

KSB also strives to promote an open corporate culture by taking into account individual needs and rights, improving skills, and adapting to the challenges of climate change.

In addition to ensuring employee satisfaction, these approaches also contribute to KSB's long-term resilience and competitiveness.

Interests and views of stakeholders (workers in the value chain)

The company's business activities could potentially have a material impact on workers in the upstream value chain, especially in terms of human rights and working conditions. Workers in the upstream value chain are therefore key stakeholders of KSB. KSB has not been found to have a material impact on the downstream value chain.

Since the reporting year, KSB has been using a software solution called IntegrityNext to incorporate the interests and views of workers from the upstream value chain (tier 1). The evaluation also incorporates observations from KSB Procurement employees during visits to the supplier.

Due to the complexity of the supply chain, priority is given to bigger, active suppliers. For new suppliers, KSB requires the supplier to complete a questionnaire on topics related to human rights (decent pay, prohibition of forced labour) and the existence of a code of ethics.

Respect for human rights is a material criterion for KSB in the selection of direct suppliers.

This is verified during the supplier selection process and when assessing sustainability criteria for existing suppliers as part of a risk assessment for prioritised suppliers.

These findings are used as the basis for incorporating the interests and rights of these stakeholders into the strategy and supplier selection:

- KSB does not tolerate human rights violations in the value chain and only wants to work with partners who guarantee fair working conditions and human rights. It uses audits and the supplier code of conduct to enforce this.
- Grievance mechanisms: KSB provides secure channels through which workers in the supply chain or their representatives can report human rights violations.
- Training: To minimise risks, the company provides direct suppliers with training in occupational safety and human rights.

These actions strengthen KSB's long-term strategy to promote decent working conditions throughout the value chain and reduce risks to workers.

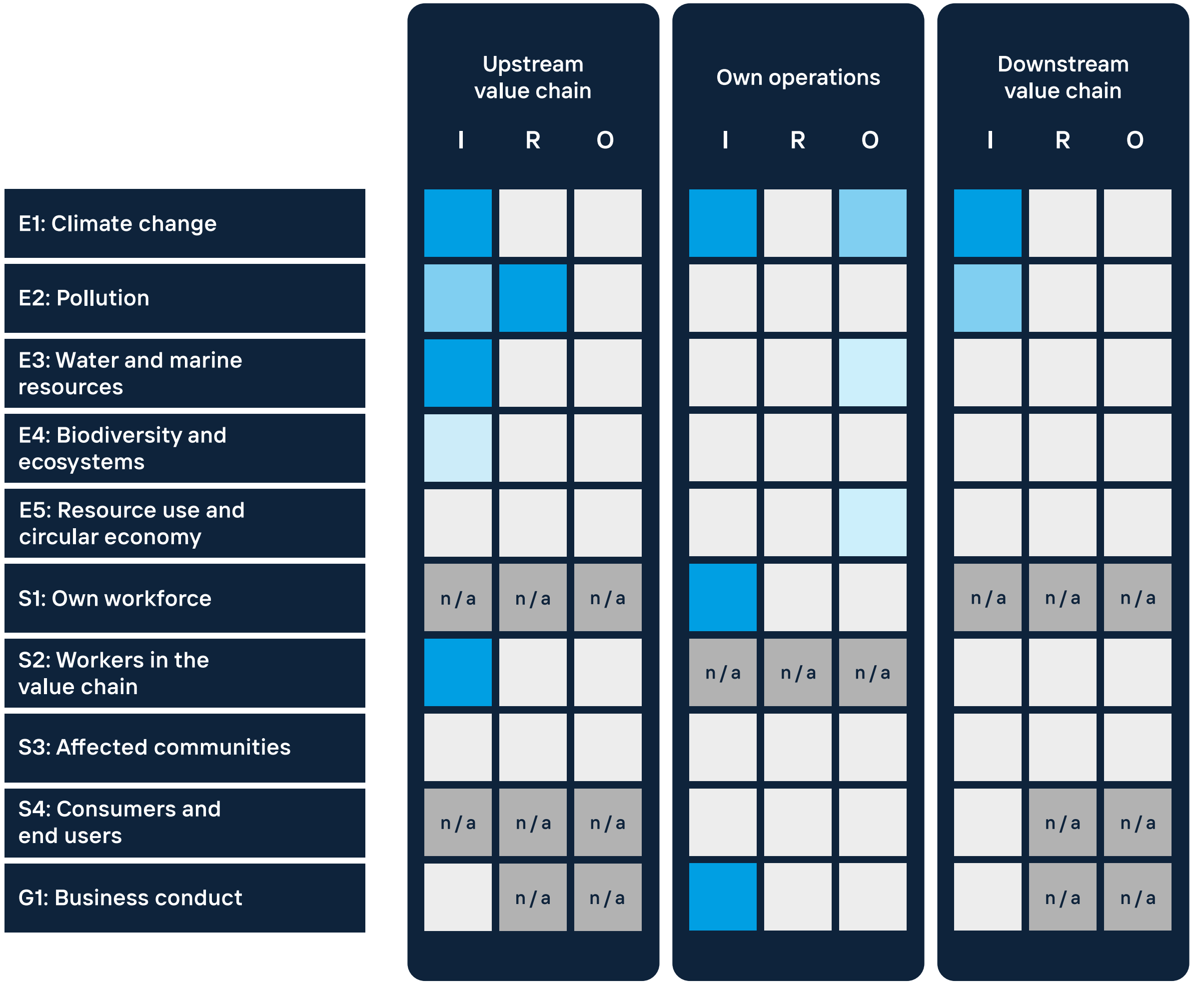
If a concern is raised (whether through the whistleblower system, the IntegrityNext software screening introduced by KSB in the reporting year or following a supplier audit), KSB will conduct an investigation and address the issues with the individual supplier.

As part of its ongoing due diligence process, KSB seeks dialogue with individual suppliers with the aim of eradicating any issues.

Overview of material impacts, risks and opportunities

The impacts presented in the following figure as having Medium and Low materiality were not deemed to be material in the double materiality assessment. However, KSB will continue to monitor these impacts and will, if necessary, include them in its reporting at a later date.

Six material reporting topics are identified by the double materiality assessment



Key

Assessment	Procedure
High materiality	Disclosure requirement in accordance with the ESRS topical standards
Medium materiality	Continue to monitor and, if necessary, collect data for proper assessment and future disclosure
Low materiality	Future disclosure requirement unlikely, ongoing monitoring recommended
Not material	No disclosure requirement identified
n / a	Not applicable

I = Impact
R = Risk
O = Opportunities

Overview of the material impacts, risks and opportunities related to the KSB business model

Topics	Drivers of negative impacts	Drivers of positive impacts	Risks Opportunities
Climate change	The extraction of raw materials, use of purchased components, and the production and operation of KSB products throughout the value chain (upstream, own operations and downstream) consume fossil fuels and non-renewable electricity and generate CO_2 emissions. In addition, the fossil fuels consumed by the company (own operations) and downstream logistics in connection with vehicles and plant logistics also generate significant CO_2 emissions.	Mitigating the impacts of climate change with solutions for • Flood control (downstream), and • Conservation of permafrost (downstream) can greatly support local community resilience. Our highly efficient pump technology helps to reduce electricity consumption and related greenhouse gas emissions, bringing huge potential energy savings in the usage phase (downstream).	
Pollution			Potential risk arising from the company's dependence on PFAS materials in purchased components and the medium-term prospect of a ban on these materials (upstream).
Water and marine resources	Water use in mining and smelting (upstream). Water withdrawal in steel production (upstream). Waste water from the extraction of metals and production of intermediate products (upstream).		
Own workforce	Working conditions: Health and safety risks (own operations). Gender equality and equal pay for work of equal value: Low representation of women in top management (own operations). Gender diversity: Low representation of women in the company (own operations).	Equal treatment and opportunities for all: Potential for positive impacts from employee training and development (own operations).	
Workers in the value chain	Health and safety risks and impacts on workers' human rights in the value chain (upstream).		
Corporate governance	Potential negative impact from corruption and bribery (own operations). Potential negative impact due to inadequate prevention, detection and training on corruption and bribery (own operations).	The KSB corporate culture, which is underpinned by integrity, transparency and responsibility, is a material driver of positive impact on people and the environment (own operations). Protecting whistleblowers who report potential grievances or violations is a key element of this culture (own operations).	

Impact on business model, value chain, strategy and decision-making

KSB thoroughly assessed the material impacts, risks and opportunities related to its business model and value chain.

The assessment confirmed that no material adjustments are currently required to KSB's existing strategy or business model. At the present time, therefore, the strategic focus remains on the following:

Environment

By proactively integrating sustainability into the KSB corporate strategy, the company is helping to mitigate the environmental impact of its energy use in the context of climate change.

Strategic focus areas include improving energy efficiency and reducing greenhouse gas emissions through continuous improvements in the technologies used and a reduction in emissions throughout the value chain.

The product life cycle and operation of the products at the customer are material aspects in this regard. KSB wants to improve the environmental performance of its products during their service life and support the sustainability goals of its customers.

By focusing on energy-efficient technologies and digitalisation, KSB is improving its operational efficiency and driving the development of innovative solutions.

KSB's current and future sustainability goals are key to the further development of sustainability-related aspects in the corporate strategy and organisation.

Social

Occupational health and safety

Occupational health and safety is an integral part of the KSB strategy and essential for creating safe working conditions to minimise accidents and risks to health.

This includes regular training, ensuring safe operating processes, providing suitable personal protective equipment and promoting a culture of mindfulness and prevention.

Reducing the number of working days lost due to work-related accidents is one of KSB's corporate goals.

Equal treatment and opportunities for all

KSB has made achieving a fair gender distribution in management positions, promoting gender equality, and providing professional development opportunities for all employees strategic priorities.

KSB has defined a specific percentage of women in management positions as one of its corporate goals and included this in the Human Resources functional strategy.

Gender diversity

Women are still under-represented in technical professions such as engineering. For a mechanical engineering company like KSB, this indicates considerable untapped potential on the labour market.

KSB is determined to increase the proportion of women in its own workforce and to increase interest among women in training for a technical profession.

Training and professional development

Qualified employees are key to any company's success. There is a close connection between employee training and the Know-How Champion pillar of the Mission TEN30 corporate strategy. Ensuring a high standard of training is part of the Human Resources functional strategy.

Improvement of working conditions across the value chain

KSB focuses not only on protecting and supporting its own employees, but also on respecting human rights and improving the working conditions of employees in the upstream value chain, especially in connection with raw material extraction (mining).

An important aspect of this is intensifying cooperation with suppliers to promote sustainable practices while reducing environmental impacts.

Corporate governance

By engaging KSB stakeholders and committing to ethical business practices, KSB proactively addresses social and governance risks related to human rights, diversity and corporate governance. Besides protecting its reputation, this also positions KSB as a responsible company.

Material impacts on people and the environment and their interaction with strategy and business model(s)

Climate change

Energy consumption & greenhouse gas emissions

The combustion of fossil energy sources and use of non-renewable electrical energy produce greenhouse gas emissions that contribute to climate change.

This, in turn, will entail an increase in extreme weather events, such as heat waves, heavy rainfall and floods. This can worsen the working conditions of the workforce and put the production sites at risk. It will also impact the living conditions of many people and potentially destroy habitats.

As a mechanical engineering company, KSB operates in a high climate impact sector. The negative impacts of energy use and greenhouse gas emissions are directly linked to the company's business model.

The impacts are expected in the short term.

The extraction of raw materials, production of purchased products (e.g. castings, steel parts, motors), KSB's own production (machining, assembly, testing) and the operation of pumps and valves all consume large amounts of energy.

The type of energy required depends on the production processes chosen, the technical solution used to heat and cool the buildings, and the electrical energy source for processing and operation during the usage phase of a sold product.

Fossil fuels (natural gas and heating oil) are used primarily in the production of castings and steel parts in the upstream value chain and KSB's own foundries, as well as for heating company buildings.

Electrical energy is used primarily to operate machining equipment in KSB production facilities and products during the usage phase.

Highly efficient KSB products and solutions to mitigate the impacts of climate change

KSB actively contributes to mitigating climate change-related challenges with innovative technical solutions. These include pumps and valves for flood control systems and permafrost conservation technologies that protect the environment and human habitats. In addition, KSB's energy-efficient products make a material contribution to reducing greenhouse gas emissions and customer operating costs thanks to increased efficiency.

These positive impacts are closely linked to KSB's business model and strategic direction, as the development of energy-efficient technologies is an integral part of KSB's corporate strategy.

The impacts are expected in the short term.

Through the ongoing development and marketing of highly efficient technologies, KSB is helping to reduce customer operating costs and achieve global climate change mitigation targets. The company's innovative strength and the targeted integration of sustainable principles into product development are positively impacting the environment and society.

Water and marine resources

Water consumption, water withdrawal and waste water

KSB's upstream value chain includes the mining of necessary raw materials and the production of intermediate products in the iron and steel industry. Water withdrawal, water consumption and the generation and treatment of waste water associated with raw material mining vary greatly depending on the specific activities and locations.

Mining companies typically use large amounts of water for production, processing, separating minerals and cleaning machines. Smelting also requires large quantities of water for cooling, scrubbing and dust suppression. Suitable waste water purification and treatment technologies are required to decontaminate the water used.

As a mechanical engineering company, KSB requires many supply parts made of iron and steel. The upstream value chain is water intensive. The negative impacts are directly linked to the company's business model.

This can lead to significant environmental and health problems in the medium to long term.

In water-scarce regions, water withdrawal, combined with water scarcity, can cause short-term resource conflicts.

The negative impacts arise in the upstream value chain, raw material mines, steelworks and during further processing into intermediate products made from iron and steel, which are required by KSB and purchased as part of its business operations.

Own workforce

Occupational health and safety

As a company involved in industrial machine production and with its own foundries, workers at KSB are regularly exposed to health and safety risks from heavy machinery, moveable equipment and electrical hazards.

Safe working conditions and safeguarding the health of employees are an integral part of the KSB strategy and essential for creating safe working conditions to minimise accidents and risks to health.
Besides safeguarding employee health, safe and ergonomic working conditions also improve effectiveness and efficiency.

The impacts are expected in the short term.

The impacts relate to KSB's own mechanical engineering activities.

Equal treatment and opportunities for all

Due to the under-representation of women in management positions, it is not possible to ensure sufficient diversity of perspectives at management level.

As a global company, equal treatment and diversity is extremely important. Diverse perspectives breed innovation and drive business success. KSB has made achieving a fair gender distribution in management positions and promoting gender equality strategic priorities.

The impacts are expected in the short term.

Due to its focus on mechanical engineering, it is a challenge for KSB to actively promote women in the workplace and play a part in changing society to mitigate the negative impacts of under-representation.

Gender diversity

The low representation of women negatively impacts KSB's attractiveness to female employees. This may result in skilled workers not applying to KSB.

Despite signs of a turnaround according to the German Federal Statistical Office, technical disciplines such as engineering continue to be impacted.

The impacts are expected in the short term.

The under-representation of women is connected to the company's business model and mechanical engineering activities, and is attributable to the fact that STEM (science, technology, engineering and mathematics) professions are less attractive to women.

Training and professional development

Training and professional development has the potential to positively impact the company's workforce.

Providing professional development opportunities for all employees is important to KSB. Due to the growing shortage of skilled workers, harnessing and developing the potential of all employees is of great strategic importance for the company.

Employee training is particularly important because of the direct connection between training and the Know-how Champion pillar of the Mission TEN30 corporate strategy.

The impacts are expected in the short term.

In connection with its business model and activities, KSB requires highly qualified specialists. This correlates directly with the impact.

Workers in the value chain

Working conditions, equal treatment, equal opportunities for all and other work-related rights

The material impacts related to supply chain workers for KSB concern working conditions, equal treatment and opportunities for all, and other work-related rights. Focus areas for KSB include ensuring compliance with appropriate labour, wage and social standards as well as equal treatment, primarily for suppliers in Asia.

The impacts relate to KSB's business model as the required raw materials have to be mined and negative impacts on working conditions cannot be completely ruled out.

The impacts are expected in the short term.

The impacts relate to KSB's business relationships and upstream value chain.

Corporate governance

Corruption and bribery

Incidents of corruption and bribery have the potential to significantly impact KSB, as they give rise to unethical decision-making processes that can violate human rights or compromise environmental protection. Such incidents undermine trust in institutions and companies, and can damage natural resources or harm vulnerable communities.

Incidents of corruption often arise due to weaknesses in the business model or insufficient controls in the corporate strategy. An explicit anti-corruption policy is necessary to minimise such risks and maintain the company's integrity.

In terms of impacts, incidents of corruption can cause serious damage to a company's reputation in the short term and involve legal consequences and financial losses in the long term. It can take years to recover from an incident.

KSB could become embroiled in incidents of corruption through its own operations or those of business partners, especially in high-risk countries or sectors. It is important that all involved parties, from suppliers to partners, follow the same ethical standards.

Prevention and detection of corruption and bribery
Inadequate or ineffective corruption and bribery prevention measures and related training could have significant negative consequences for the company, including a loss of trust among stakeholders, financial losses due to sanctions and fines and long-term reputational damage. Public funds and resources could also be misused, harming the general public and negatively impacting society and the environment through illegal projects or projects that are not environmentally sustainable, for example.

Anti-corruption and anti-bribery policies are closely connected to the corporate strategy. Observing ethical standards and preventing illegal activities such as corruption reduces the potential risk of reputational damage. A strong governance control system and regular training are an integral part of KSB's business processes. Inadequate prevention and training activities can have a negative impact even in the short term as a lack of ethical corporate culture could negatively influence employee behaviour.

The company may be exposed to corruption risks through its own business practices or through business relationships with suppliers or partners. It is therefore important to integrate these activities into all business relationships to ensure compliance with ethical standards across the supply chain.

Corporate culture
A strong corporate culture based on clearly defined values leads to a positive social climate and supports fair working conditions. This can promote employee well-being and support fairer, environmentally conscious business practices, ensuring the long-term protection of natural resources and communities.

A value-based corporate culture is a solid basis for the corporate strategy. It helps to minimise risk and increases long-term sustainability and stakeholder confidence in the company.

Promoting a value-based corporate culture has positive effects on employee motivation and trust in the short term, while strengthening the company's reputation in the long term.

A value-based corporate culture influences internal business practice and positively impacts business partners. Companies that are clearly committed to their values can build stronger and more sustainable relationships with their partners and customers.

Protection of whistleblowers
Whistleblower protection allows employees to draw attention to grievances, corruption or unethical business practices without fear of reprisal. This helps to create a safer and fairer work environment and supports environmental protection by exposing illegal or environmentally harmful practices.

An effective whistleblower system is an essential part of a transparent and responsible corporate strategy. It promotes compliance with laws and ethical standards, and minimises risks by identifying grievances at an early stage.

Implementing a whistleblower system has positive effects both in the short term, by improving trust in the corporate culture, and in the long term, by contributing to a more stable, ethically managed organisation.
Whistleblowing programmes involve internal employees and external business partners, and can help uncover and prevent corruption and unethical conduct throughout the supply chain.

Current financial effects from risks and opportunities

The sustainability-related risks and opportunities identified were quantified in the reporting year. The topics identified in the double materiality assessment were incorporated in KSB's Group-wide risk management system. Based on its double materiality assessment, KSB does not consider there to be a significant risk of a material adjustment within the 2025 financial year to the carrying amounts of assets and liabilities reported in the consolidated financial statements. In the current reporting year, material risks and opportunities have no financial effects on the financial position, financial performance or cash flows.

Anticipated financial effects from risks and opportunities

Based on current knowledge, KSB does not anticipate any material impacts on the financial position, financial performance or cash flow in the short and medium term.

The company has identified a potential long-term financial risk from its dependence on PFAS (per- and polyfluoroalkyl substances) components in view of the proposed medium-term ban on their use.

PFAS components offer specific properties such as chemical resistance and longevity, which are essential for certain applications. A ban on these substances could bring significant challenges, including rising costs for developing and sourcing alternative materials as well as production delays. This could have a significant long-term impact on KSB's business and upstream supply chain.

To minimise this risk, KSB is already looking for alternatives.

This risk cannot be quantified reliably at present due to the evolving legal situation (there is currently no concrete ban) and the evolving availability of alternative materials.

KSB sees growth potential for its products in different markets and applications, regardless of the climate scenarios considered (1.5 °C, 2 °C, 4 °C). However, this potential is already considered in the Mission TEN30 corporate strategy and does not represent an additional opportunity.

There are no sustainability-related actions that currently require material investments. However, once KSB has prepared a transition plan for reducing greenhouse gas emissions, it does anticipate a need for investment.

In the reporting year, KSB conducted additional resilience audits based on the impacts, risks and opportunities identified in the DMA.

These included qualitative assessments considering the different time horizons defined in ESRS 1 Section 6 “Time horizons”.

The qualitative assessment focused on identifying vulnerabilities and potential disruptive factors within the business processes and value chain.

KSB conducted scenario analyses to understand how its business could be impacted by various risks and opportunities such as climatic changes, geopolitical instability or market shifts.

These analyses found that the flexibility of the KSB business model allows for targeted adjustments, making it resilient to transitory changes. A key factor in KSB's resilience is its ability to respond swiftly to market changes and develop innovative solutions.

The analyses found that KSB is well positioned to address the transition risks while taking advantage of opportunities.

The KSB business model and Mission TEN30 corporate strategy have the resilience needed to meet future challenges and leverage opportunities from global changes:

- Energy efficiency and climate change mitigation: KSB continues to increase the energy efficiency of its products and reduce greenhouse gas emissions through innovative pump and drive technologies. The company's long-term goal is to achieve climate neutrality.
- Reduction of polluting substances: The use of PFAS must be minimised over the medium term and KSB focuses on the responsible selection of materials.
- Employee appreciation: KSB invests in employee training and development and occupational health and safety, and promotes a positive, diverse corporate culture. Employee satisfaction is measured in regular employee engagement surveys.
- Support across the value chain: KSB works with its suppliers to ensure their compliance with social and environmental standards and increase awareness of sustainability throughout the value chain.
- Governance: Transparency and ethical action underpin corporate governance. KSB has clear compliance guidelines and promotes a culture of responsibility.

Description of the process to identify and assess material impacts, risks and opportunities (double materiality assessment DMA)

Procedure

KSB conducted and finalised its first double materiality assessment (DMA) based on the ESRS in the reporting year. Guided by the content and requirements of the draft ESRS, KSB adopted a systematic approach to the double materiality assessment to identify, evaluate and document all material impacts, risks and opportunities (IRO). It used the scoring and assessment model suggested by the ESRS and EFRAG.

For the initial preparation of the DMA, KSB completed the following steps:

- Preparatory workshops including as-is analysis
- Performance of the DMA (assessment and documentation of impacts, risks and opportunities)
- Presentation of the DMA and approval by the Managing Directors

The following preparatory activities were completed in the kick-off workshop before starting the DMA:

- As-is analysis
- Preparation of an overview of relevant business areas, production processes and product groups
- Definition of relevant business relationships along the value chain
- Discussion of possible topics and their impacts, risks and opportunities (long list)
- Determination of KSB's internal interview partners for stakeholder discussions

For an external perspective, KSB held workshops and interviews with internal stakeholders with in-depth knowledge and experience of the company's internal processes, strategies and goals. Their insights are critical to understanding external perceptions of the company and how external factors (e.g., market trends and regulatory requirements) can influence internal decisions.

Assumptions:
The assumptions made when completing the DMA related to the availability and quality of data, the long-term impacts of the company's operations and actions, regulatory trends, stakeholder expectations, and the company's ability to respond to future challenges and opportunities. These assumptions formed the basis for identifying material financial effects and material impacts on the environment and society.

Validity of the material impacts, risks and opportunities for all KSB business areas:
The IROs impact the Pumps, Valves and KSB SupremeServ Segments equally because the risks and opportunities, which are influenced by factors such as market conditions, regulatory requirements and technological developments, do not differ materially and the businesses are closely linked.

Gross view of impacts, risks and opportunities in the DMA:
The assessment of impacts, risks and opportunities makes a distinction between gross and net effects. Gross effects are the impacts, risks and opportunities identified, not accounting for any mitigation effects or implemented actions.

Net effects, on the other hand, take into account the impact of strategies already implemented as well as actions to mitigate impacts and risks or maximise opportunities. This distinction is important to give a realistic picture of the potential financial and operational impact and assess the effectiveness of existing actions.

While the DMA presents the gross view, the individual facts in the risk and opportunity report are presented net in the financial part of the Annual Report, after deducting the amount of countermeasures. This may result in differences in the assessment of individual facts in the different reports. If the different views lead to deviations, this is explicitly indicated in the reports.

KSB included all Segments and Market Areas in the discussion of potentially relevant processes and product groups. Since KSB is similarly positioned worldwide in terms of its processes and product groups, there is no breakdown by KSB Regions and subsidiaries.

Impacts from the upstream and downstream value chain and business relationships were considered in addition to the company's own operations.

There was no direct involvement of external stakeholders in the DMA. The stakeholder perspective was included in the workshops based on input from internal employees with external stakeholder contact. KSB also called in external expertise to support it during implementation of the DMA process.

The materiality of the identified impacts, risks and opportunities was assessed in workshops.

The criteria and thresholds recommended by the European Financial Reporting Advisory Group (EFRAG) were used for the materiality assessment.

These criteria are explained below.

Assessment of impact materiality

Negative impacts

The materiality of a negative impact is informed by the due diligence process for sustainability defined in the international instruments of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

In the case of *actual negative impacts*, materiality is based on the severity of the impacts based on the following factors:

Scale + scope + irremediability

In the case of *potential negative impacts*, materiality is based on the severity and likelihood of the impacts:

(Scale + scope + irremediability) * likelihood

Positive impacts

The materiality assessment of a positive impact does not have to take into account remediability as the impact does not cause harm. ESRS 1 Paragraph 46 requires positive impacts to be assessed based on actual and potential impacts as follows:

For *actual impacts*, materiality is based on the scale and scope of the impact:

Scale + scope

For *potential impacts*, materiality is based on the scale, scope and likelihood of the impact:

(Scale + scope) * likelihood

Detailed description of the assessment criteria used (scale, scope and remediability)

- Scale – How grave are the negative impacts or how beneficial are the positive impacts for people or the environment?

The scale of impact is a relative measure depending on the context in which the positive or negative impact takes place.

Value	Description
5	Absolute
4	High
3	Medium
2	Low
1	Minimal

- Scope – How widespread are the negative or positive impacts?

In case of environmental impacts, the scale may be understood as the extent of environmental damage in a geographical region or a geographical perimeter.

In case of impact on people, the scope may be understood as the number of people adversely affected.

Value	Description
5	Global/total
4	Widespread
3	Medium
2	Concentrated
1	Limited

- Remediability (irremediable character) – Whether and to what extent the negative impacts could be remediated (not relevant for positive impacts)

Remediability concerns whether and to what extent the negative impacts could be remediated, restoring the environment or affected people to their prior state.

Value	Description
5	Non-remediable/irreversible
4	Very difficult to remedy or long-term
3	Difficult to remedy or mid-term
2	Remediable with effort (time & cost)
1	Relatively easy to remedy or short-term

Materiality thresholds

After assessing the scale, scope and remediability (severity) of positive and negative impacts using the criteria described, the impacts are classified using the materiality thresholds defined by EFRAG.

The materiality thresholds are necessary to determine which actual impacts are material.

- Any actual impact with a quantitative sum result of 8 or higher is material and must be disclosed by KSB.

Value	Description	Material
>12	Critical	Yes
11-12	Significant	Yes
8-10	Important	Yes
5-7	Informative	No
<5	Minimal	No

- All potential impacts must also be assessed with a likelihood. The assessment of likelihood is a follow-on step in the impact assessment and is only relevant for potential impacts.

The company is required to disclose potential material impacts based on the combined likelihood and severity in accordance with the matrix published by EFRAG.

To classify an impact in the likelihood matrix, the assessed severity score is divided by 3 (negative impact) or 2 (positive impact).

The materiality of a potential impact is assessed against criteria of severity and likelihood as follows:

Combinations	Likelihood					
		5	4	3	2	1
Severity	5 (Critical)	Material	Material	Material	Material	Material
	4 (High)	Material	Material	Material	Material	Not material
	3 (Moderate)	Material	Material	Not material	Not material	Not material
	2 (Minor)	Material	Not material	Not material	Not material	Not material
	1 (Negligible)	Not material	Not material	Not material	Not material	Not material

The likelihood is assessed using the following scale:

1: Very unlikely
2: Unlikely
3: Neither likely nor unlikely
4: Likely
5: Very likely

Exception in case of negative human rights impacts

In the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood. In such cases, the likelihood of potential negative impacts was not taken into account. These impacts are then treated as actual impacts and their materiality thresholds are applied accordingly.

Overview of the process used to assess, identify and monitor risks and opportunities that have or may have financial effects

KSB has implemented a Group-wide risk management system for identifying, assessing and reporting relevant, ESG-related risks and opportunities. Risk Management was involved in performance of the double materiality assessment and IRO assessment process. An additional category for ESG risks was also included for risk management.

All corporate and central functions and Group companies, including Group companies that are not consolidated, are included in the risk management system. The responsible managers are required to report all identified risks to the central Risk Managers twice a year.

The risk management process of the KSB Group consists of the successive phases of identification, assessment, management, control, documentation and communication of risks. This process is supported by risk management software and is documented in KSB's Risk Management Manual alongside the management responsibility, the description of all relevant tasks and the risk strategy.

The monitoring period comprises four periods:

- The first period encompasses a time horizon of up to 12 months.
- The second period encompasses a time horizon of up to 24 months.
- The third period encompasses a time horizon up to 5 years.
- The fourth period encompasses a period of more than 5 years. This is limited by the validity period of the Mission TEN30 corporate strategy, which currently runs until 2030.

The Managing Directors, the Administrative Board and the Supervisory Board's Audit Committee receive two risk reports per financial year. These reports include all the risks classed as material that exceed a pre-defined threshold value individually or collectively, taking into consideration any corrective action that has been taken (net risk), as well as further significant developments.

Additionally, the risk-bearing capacity of the KSB Group is regularly monitored on the basis of the overall risk position, which is developed by aggregating all the risks recorded. This makes it possible to identify early on any developments that could threaten business continuity in the monitoring period.

Particularly time-critical risks and new or changed risks that are classified as significant are to be reported by the responsible managers to the Risk Managers on an ad hoc basis. The latter review the information and pass it on to the Managing Directors of KSB Management SE.

As the legal representative, KSB Management SE assumes overall responsibility for risk management. It reports to the Supervisory Board of KSE SE & Co. KGaA via its Managing Directors during regular Audit Committee meetings and is monitored by the latter.

The impacts were reconciled with the risks and opportunities in the workshops and documented in the double materiality assessment.

A distinction is made between qualitative and quantitative risks.

Qualitative risks are developments that cannot or cannot yet be thoroughly quantified due to a lack of precise information. However, to be able to evaluate them for further analysis steps, the scope is assessed using defined evaluation intervals. The mean value of these evaluation intervals is used to determine the significance of these risks for the Group.

Quantitative risks are risks for which the potential monetary impact on the earnings and/or liquidity of the KSB Group can be estimated. They are evaluated taking into account the specifically calculated likelihood of occurrence in combination with the potential amount of loss.

The scope or amount of loss describes the potential influence of the individual risk on the key indicator of earnings before finance income / expense and income tax (EBIT) or liquidity of the KSB Group or the respective Group company. This must be evaluated using three scenarios. A distinction is also made between a gross method before taking into account any corrective action that has been taken, and a net method after taking into account such actions.

In this context, gross impacts on EBIT of all individual and similar risks of € 500,000 or more before countermeasures in the most likely case scenario are to be reported uniformly throughout the Group at the earliest possible time, regardless of how the risk is assessed in terms of likelihood of occurrence. Purely cash-effective risks are reported as from a gross impact of € 5 million or more (in the most likely case).

KSB defines as material all risks or aggregate risks for which the product of the likelihood of occurrence and the most probable amount of loss after deducting the amount of countermeasures is greater than € 5 million. This applies to qualitative and quantitative risks.

Assessment of financial materiality

In a first step, the assessment was carried out in two groups (Continued use or availability of resources and Dependence on relationships) as shown below.

If the result of the assessment is critical, significant or important, the financial effect was initially classed as material.

a) Continued use or availability of resources

Risks:

Value	Description
5	Impossible, very costly or unavailable in the short-term
4	Possible, but costly in the short- term, very costly or lacking in the medium-term, impossible in the long-term
3	Possible in the short-term, costly in the medium-term, very costly in the long-term
2	Possible in the short, medium and long-term
1	Without consequence in the short, medium and long-term

Opportunities:

Value	Description
5	The resource use is very likely, very beneficial and available in the short term
4	The resource use is likely, beneficial in the short-term, very beneficial in the medium-term
3	Possible in the short-term, beneficial in the medium-term, very beneficial in the long-term
2	Possible and slightly beneficial in the short, medium and long-term
1	Possible in the short, medium and long-term

b) Dependence of relationships

Risks:

Value	Description
5	Strong adverse reaction currently or very likely in the future
4	Adverse reaction currently, strong adverse reaction likely in the future
3	Negative reaction currently, adverse reaction likely in the future
2	Signs of negative reaction currently or in the future
1	Neutral/no reaction currently and likely in the future

Opportunities:

Value	Description
5	Strong positive reaction currently or very likely in the future
4	Positive reaction currently, strong positive reaction likely in the future
3	Positive reaction currently, positive reaction likely in the future
2	Signs of slightly positive reaction currently or in the future
1	Neutral / no reaction currently and likely in the future

Financial materiality assessment table:

Value	Description	Material
5	Critical	Yes
4	Significant	Yes
3	Important	Yes
2	Informative	No
1	Low	No
0	Minimal	No

Since dimensions were partly aggregated in this first step, the reported risks and opportunities classed as material were also systematically evaluated in accordance with the requirements of risk and opportunity management with the specialist departments responsible. The influence of time, likelihood, and magnitude of the risks and opportunities were considered and evaluated separately.

The following scale was used to assess the global likelihood of occurrence:

- Highly likely (51-100 %)
- Likely (31-50 %)
- Possible (11-30 %)
- Unlikely (1-10 %)

Evaluation of the materiality of risks and opportunities

The decision as to the materiality of an opportunity/risk was based on the expected value limit and calculated gross values defined in the risk management system. This limit corresponds to the net expected value in financial risk management (after deducting mitigating actions).

When considering the risks and opportunities in the DMA, this limit was applied to the gross assessment (expected value without deduction of mitigating actions).

As a result, there are no material risks other than the potential ban on components made of PFAS (per- and polyfluoroalkyl substances). The final assessment with the relevant specialist department resulted in determining the materiality for the long-term time horizon.

For the opportunities, a review was conducted of the notional growth potentials from the DMA workshops in the KSB fields of application. This found that all growth potentials were already incorporated in the Mission TEN30 corporate strategy and did not identify any material deviations from the plan. In accordance with the DMA methodology, this does not result in any material opportunities for KSB.

The sustainability-related risks are not prioritised by KSB and are covered by the company's general risk management.

Performance of the DMA

The DMA was prepared on the basis of expert interviews. The KSB core team – the internal subject owners – held several meetings with the involvement of external experts to discuss the impacts, risks and opportunities and the assessment of these.

The DMA was also validated by the Managing Directors, the Administrative Board of KSB Management SE and the Audit Committee.

For following years, KSB expects to consider the following:

- Clarification of new topics for the long list
- Stakeholder interviews
- Review of the double materiality assessment
- Control procedures of the Managing Directors

The impacts, risks and opportunities are based on KSB's risk reports.

A Risk & Opportunity Review Panel was established in the reporting year with a particular focus on future requirements of the CSRD. The aim of this panel is to continuously improve KSB's risk management system. This is achieved by identifying all material risks and opportunities, critically assessing the reported top risks and opportunities, and reviewing the appropriateness and effectiveness of the allocated actions. The panel consists of managers from selected functional areas who have the necessary expertise to review the risk and opportunity reporting with regard to the points mentioned and thus ensure the completeness and plausibility of the disclosures.

All risks and opportunities identified in the DMA are recorded to the same extent as risks and opportunities in the corresponding software solution for risk management.

ESG risks and opportunities are assessed in the same way as all other financial risks and opportunities. The impacts are also identified in the risk management software. The assessment was conducted outside the software solution.

The DMA did not identify any material opportunities in the reporting year.

However, possible ESG opportunities would always be identified and reported as part of the risk and opportunity management process.

In addition to the topics listed in ESRS 1 Appendix A, the DMA process also considered industry and company-specific topics that were already the basis for the previous sustainability reporting.

Additional information comes from an external stakeholder survey (bachelor thesis), the SASB Materiality Finder, VDMA information, WWF Water Risk and Biodiversity Risk Filters, IPPC scenarios, Swiss RE Catnet data, customer satisfaction surveys, comparisons with competitors, a broad internet search on specific sustainability topics, especially on the web sites of recognised NGOs.

Following a reconciliation (which is also based on the SASB Materiality Finder for industrial machinery), all potentially material topics for KSB as a company are covered by the CSRD subtopics.

The entire company including its value chain was considered.

Topical disclosure requirements related to climate change

KSB identified and assessed its current actual climate-related impacts, risks and opportunities in the DMA.

As the basis for considering the impacts on climate change in particular, direct and indirect greenhouse gas emissions along the value chain were calculated in line with the GHG Protocol standards and guidance.

These included:

- Scope 1 emissions (direct emissions from sources owned or controlled by the company directly, e.g. production facilities and building heating systems, air conditioning systems, the KSB vehicle fleet)
- Scope 2 emissions (indirect emissions from purchased energy)
- Scope 3 emissions (emissions from upstream and downstream activities such as supply chains, product use and waste disposal)

The data is collected annually using quantitative methods. The results are presented in an annual emissions report and included in the company's climate change policy.

KSB does not currently use scenario analyses or projections to quantify accurate potential future emissions in the event of business growth or new technologies, but has considered and assessed these potential impacts qualitatively.

Physical climate risk analysis

In the reporting year, KSB assessed climate-related physical risks for its biggest production sites and the upstream and downstream value chain.

The assessment of climate-related hazards, exposure and sensitivity was informed by high emissions climate scenarios, including the IPCC's RCP 8.5 scenario. This scenario represents the possible physical risks for KSB in the event of unchecked emissions growth and was used for all production sites worldwide.

Various sources and tools were used for the assessment to provide the clearest possible picture of current and potential risks:

- The CatNet climate database of the insurance company Swiss Re: This database provided location-specific information on the current climate risk situation. It offers a global, up-to-date overview of climate risks, such as floods, heat waves and storms.
- IPCC WGI Interactive Atlas: This tool was used to analyse regional climate projections. Future scenarios, especially with high emissions, were considered to assess potential physical risks for the production sites and geographical regions.

This information was presented in the form of a summary for each Region and production site. The analysis is based on regional climate projections and geographical data of the production sites. Detailed, site-specific analyses were not performed at the micro level, limiting the accuracy of the predictions.
The assessment considered chronic and acute risks associated with temperature, wind, water and solids.

The following table presents the physical risks that were considered and those that were not.

Overview of physical risks that were considered or not considered

	Temperature	Wind	Water	Solids
Chronic	**Changing temperature (air, freshwater, marine water)**	**Changing wind patterns**	**Changing precipitation patterns and types (rain, hail, snow/ice)**	**Coastal erosion**
	Heat stress		**Precipitation or hydrological variability**	Soil degradation
	Temperature variability		**Ocean acidification**	Soil erosion
	Permafrost thawing		Saline intrusion	Solifluction
			Sea level rise	
			Water scarcity	
Acute	**Heat wave**	**Cyclones, hurricanes, typhoons**	**Drought**	Avalanche
	Cold wave/frost	**Storms (including blizzards, dust, and sandstorms)**	**Heavy precipitation (rain, hail, snow/ice)**	Landslide
	Forest and grassland fires	**Tornado**	**Flood (coastal, fluvial, pluvial, ground water)**	Ground subsidence
			Glacial lake outburst	

Key

- Bold with blue background: considered risks
- Not bold with white background: risks were not considered

KSB has assessed the extent to which its assets and activities are exposed to the identified climate-related hazards.

The scenarios considered covered short-term (reporting year), medium-term (up to 5 years) and long-term (beyond 5 years) periods to assess different potential risks. These time horizons were chosen to align with the Company's strategic planning horizons and capital allocation plans. However, the production sites are expected to last longer than the longest period considered.

The impacts on production facilities and critical infrastructures were examined to plan the necessary medium-term investments and adjustments:

Short term (reporting year):
KSB did not identify any material risks.

Medium term (up to five years):
KSB did not identify any material risks.

Long term (>5 years):
KSB did not identify any material risks.

KSB also initiated strategic actions to safeguard its business and diversify supply chains. An ISO 22301-compliant business continuity management system has been in place since April 2023, which also takes these risks into account.

When identifying and assessing physical risks, did the company consider climate-related hazards over the short-, medium- and long-term time horizons and screen whether its assets and business activities may be exposed to these hazards?	☒ YES	☐ NO
Does the company use medium- and long-term time horizons and has it explained how these definitions are linked to the expected lifetime of its assets, strategic planning horizons and capital allocation plans?	☒ YES	☐ NO
Has the company presented the extent to which the likelihood, magnitude and duration of the hazards as well as the geospatial coordinates specific to the company's locations were considered in the assessment of impacts on its assets and business activities?	☒ YES	☐ NO
Has the company presented the extent to which the assessment of climate-related hazards is informed by high emissions climate scenarios.	☒ YES	☐ NO

Climate scenario analysis
KSB analysed potential climate-related transition risks and opportunities that could impact the company's business and assets.

This assessment was based on the Mission TEN30 growth strategy and covered internal operations as well as the upstream and downstream value chain.

As recommended by the Task Force on Climate-related Financial Disclosures (TCFD), the assessment involved three climate scenarios and three different time horizons (short, medium and long term) that could have different impacts on KSB's business:

- Worst case, +4 °C
- Middle of the road, +2 °C
- Best case, +1.5 °C

Worst-case scenario, +4 °C:
In this scenario, only minimal actions are taken globally to reduce greenhouse gases, while climate policies and carbon pricing remain weak. General consequences include an increased physical impact from extreme weather events such as floods and droughts, which, without adequate political action, could lead to significant physical damage and global economic burden.

Middle of the road scenario, +2 °C:
In this case, climate change mitigation progresses slowly as global social, economic and political trends remain largely unchanged. Greenhouse gas emissions will not stabilise until around 2100. This scenario foresees local and severe impacts of extreme weather events such as heat waves and droughts with moderate, but inadequate climate policies. Carbon pricing is only partially implemented, and the transition to a low-carbon economy is patchy.

Best-case scenario, +1.5 °C
This scenario describes an ambitious global climate policy with the goal of limiting global warming to 1.5 °C. This would involve the implementation of robust climate policies and comprehensive carbon pricing. Technological innovations accelerate the transition to low-emission technologies, while market demands and consumption habits increasingly focus on sustainable

products. This scenario represents a rapid, coordinated transition to a low-carbon economy.

The transition risk analysis included potential risks related to policy, regulation, technology, market changes and reputational risks. KSB selected the main risk drivers for its consideration of transition risks. These are indicated in the table below, which presents the transition risks that were considered and those that were not.

Key

- Bold with blue background: considered risks
- Not bold with white background: risks were not considered

Overview of transition risks that were considered or not considered

	Policy and legal	Technology	Market	View
Transition risks	**Increased pricing of GHG emissions**	**Substitution of existing products and services with lower emissions options**	**Changing customer behaviour**	**Changing consumer preferences**
	Enhanced emissions reporting obligations	Unsuccessful investment in new technologies	Uncertainty in market signals	**Stigmatisation of sector**
	Mandates on and regulation of existing products and services	Costs of transition to lower emissions technology	**Increased cost of raw materials**	**Increased stakeholder concern**
	Mandates on and regulation of existing production processes			Negative stakeholder feedback
	Exposure to litigation			

In all three scenarios, a judgement was made about the extent to which assets and business activities are affected in the scenario analysis. The results were incorporated within the regular opportunity and risk management process.

Short term (reporting year):
KSB did not identify any material risks or opportunities.

Medium term (up to five years):
KSB did not identify any material risks or opportunities.

Long term (>5 years):
KSB did not identify any material risks or opportunities.

KSB's operations and assets are, in principle, compatible with a transition to a climate-neutral economy.

Have transition events been identified over the short-, medium- and long-term time horizons?	☒ YES	☐ NO
Has the company screened whether its assets and business activities may be exposed to potential transition events?	☒ YES	☐ NO
Has the company screened whether its assets and business activities may be exposed to potential transition events?	☒ YES	☐ NO
Has the company assessed the extent to which its assets and business activities may be exposed and are sensitive to the identified transition events?	☒ YES	☐ NO
Is there a material exposure to climate-related risks?	☐ YES	☒ NO
Are the identification of transition events and the assessment of exposure informed by climate-related scenario analysis?	☒ YES	☐ NO

Were assets and business activities that are incompatible with or need significant efforts to be compatible with a transition to a climate-neutral economy identified?	☐ YES	☒ NO

The climate-related assumptions made in the financial reports were reconciled with the resilience analysis based on climate scenarios and the physical climate risk analysis.

Topical disclosure requirements related to pollution

The double materiality assessment included consideration and assessment of pollution of the air, water, soil, living organisms and food resources, and pollution related to substances of concern, substances of very high concern and microplastics in the company's own operations and in the upstream and downstream value chain.

The impact of business activities at the KSB site locations related to air, water and soil pollution was identified and assessed using ISO 14001-compliant methodology and related internal processes and procedures.

KSB did not conduct consultations with potentially affected communities.

Topical disclosure requirements related to water and marine resources

The double materiality assessment included a qualitative consideration of the impacts, risks and opportunities related to water and marine resources connected with the upstream and downstream value chain as well as KSB's own operations and assets.

KSB used the WWF Water Risk Filter tool to quantify the water risks at company level.

This tool enables an analysis of the potential impacts and risks in connection with the company's locations.

However, the tool did not identify any potential impacts or risks.

The results of the WWF Water Risk Filter are consistent with the LEAP approach of the Taskforce on Nature-related Financial Disclosures (TFND).

KSB used the WWF Water Risk Filter to assess its production sites. This found that the following KSB production sites are located in areas of high water stress:

Lille (France), Pune, Shirwal, Sinnar and Vambori (India), Querétaro (Mexico).

For KSB, however, the impacts and risks related to water consumption are not material as the company's machining and manufacturing processes are not water intensive.

In addition to the WWF Water Risk Filter, KSB also uses life cycle assessments (LCAs) for pumps and valves: To assess the water consumption and impact on marine resources of its products and processes, KSB conducted life cycle assessments along the value chain for a few selected products. It considered and quantified the environmental impact of all relevant processes from raw material extraction to end of product life. These assessments help to quantify the specific water consumption of individual products and thus identify hotspots where water can be used more efficiently.

However, these calculations were performed for specific, isolated products and the results cannot be generalised. KSB is taking steps to better understand and quantify the overall impacts of its operations and the value chain on water and marine resources.

A company may face reputational risk in the context of the Water Risk Filter if stakeholders and local communities perceive that it does not conduct business in a sustainable and responsible fashion with respect to water. The indicator refers to the automotive, electrical components and mechanical engineering sectors. Reputational risk comprises four risk categories:

- The cultural significance of water for local communities
- The conditions and values of freshwater resources and freshwater biodiversity
- Media scrutiny / reporting on water-related topics
- The risk of hydro-political conflicts in river basins.

Through its activities related to water extraction, water supply and water treatment, KSB also works with local community representatives and industry stakeholders to understand regional water-related risks and marine ecosystem vulnerabilities.

This enables KSB to take on board local knowledge and set priorities in areas where the company's activities could have significant impact.

These external stakeholders were not involved directly in the double materiality assessment, but their views were taken into account by internal representatives.

Topical disclosure requirements related to biodiversity and ecosystems

The actual and potential impacts on biodiversity and ecosystems were qualitatively considered in the double materiality assessment at KSB's own sites and within the upstream and downstream value chain.

KSB used the WWF Biodiversity Risk Filter (BRF) to quantify the biodiversity-related impacts and risks. The tool provided the basis for an initial assessment of potential impacts on biodiversity and ecosystems at the company's own production sites.

KSB used the following assessment criteria:

- A sector-specific assessment of the impact on biodiversity and ecosystems
- Site-specific risks related to impacts on biodiversity and ecosystems, such as proximity to nature reserves
- Site-specific impacts on biodiversity and ecosystems

The impacts covered by the WWF Biodiversity Risk Filter include land-use change, freshwater-use change and sea-use change, direct exploitation, invasive alien species, pollution and more.

When examining the potential impacts of the production sites, none of the sites achieved a score higher than 3.31 for the Pressures on Biodiversity indicator. This equates to a medium risk. KSB therefore considers the potential negative impacts to be in the low to medium range.

Dependencies on biodiversity and ecosystems and their services were considered and assessed in the double materiality assessment for the company's own operations and the upstream and downstream value chain. This assessment was used to identify potential risks to KSB's business.

The assessment criteria were as follows:

- Dependence on water resources, natural raw materials (e.g. wood, agricultural products) and the importance of pollination
- Inclusion of ecosystem services

KSB did not identify or assess any transition risks, physical risks or opportunities related to biodiversity and ecosystems.

The double materiality assessment also considered systemic risks.

The WWF Biodiversity Risk Filter was also used to provide a limited assessment of systemic risks by considering aggregated risks linked to the fundamental impacts of biodiversity loss.

KSB did not consult with affected stakeholders. Environmental interests were represented by internal stakeholders during the double materiality assessment.

The WWF Biodiversity Risk Filter was used to assess sites in biodiversity-sensitive areas.

The assessment of the production sites indicated that the production site in Alphen, the Netherlands, has the highest potential risk due to its proximity to protected areas. (Score 4 – high potential risk of indicator 6.1 Protected / conserved areas, including the Natura 2000 Network of Protected Areas and UNESCO Protected World Heritage Sites).

At this site, KSB operates electrically operated machining equipment, assembly and test facilities and has not identified any negative impact on protected areas. All other KSB sites are below this potential risk. KSB also does not anticipate a negative impact from other sites in connection with the deterioration of natural habitats and the habitats of species and the disturbance of the species for which a protected area has been designated.

KSB does not currently consider it necessary to implement biodiversity mitigation actions.

Topical disclosure requirements related to resource use and circular economy

In the double materiality assessment, KSB screened its assets and activities to identify the actual and potential impacts, risks and opportunities related to resource use and the circular economy.

The resource inflows, outflows and waste were assessed for KSB's own operations and the full value chain.

When screening its assets and activities, KSB additionally uses assessment methodology based on circular economy indicators such as the MCI (Material Circularity Indicator) of the Ellen MacArthur Foundation for selected products.

With the aid of an independent consultant, KSB estimated the circularity of five representative products and resource streams based on the MCI.

The models provided by the Ellen MacArthur Foundation allow for a fair comparison of material use and the potential for reuse and recycling of products and components. Based on the MCI, the company was able to make a structured assessment of resource efficiency over the entire product life cycle.

Assumptions and specific analysis: The MCI measures the circularity of a product or material. It evaluates the proportion of recycled or renewable inputs used and assesses the potential for reuse or recycling at the end of the product's life The assessment is based on the assumption that greater circularity means lower environmental impact and resource use. For data collection, KSB used internal life cycle assessment tools and recycling rates to calculate the MCI score for different product categories.

KSB believes that the assessments performed are representative of the company's entire product portfolio.

MCI assessment results:
The MCI assessment showed how the use of recycled metals and optimised design can improve material efficiency and resource conservation.

KSB did not conduct consultations with affected communities in the reporting year.

Topical disclosure requirements related to corporate governance

The double materiality assessment included the recording and assessment of all potential and actual impacts, risks and opportunities related to corporate governance.

It considered the following relevant criteria:

Site location
The company operates production sites, research and development centres, and sales offices in several countries worldwide.

In addition to the central Group Compliance Office, there is also a local compliance office for each KSB location. Group Compliance conducts on-site assessments (screening of KSB's compliance management system at a decentralised level) with the support of external consultants. At each site, the risk assessments are conducted with the involvement of the local management and Local Compliance Officer (LCO).

In 2024, Group Compliance, with the support of external consultants, also launched a Group-wide bottom-up risk assessment on corruption prevention and cartel / antitrust law to assess whether KSB is adequately managing risks in this area.

All KSB companies also report their business risks and the financial consequences arising from these to a centrally managed risk management system.

Activity
The company's business activities include the development, production and sale of pumps and valves, and related services.

The process takes into account impacts, risks and opportunities throughout the entire life cycle of the products – from raw material procurement to production and use by customers.

Sector
In the mechanical engineering industry, industry-specific risks, such as technological innovations and market changes, and regulatory requirements, such as environmental and safety standards, are central. The company's processes related to compliance with local and regional regulations, international trade restrictions and sanctions support KSB in complying with these regulations.

Structure of transactions
When assessing risks related to mergers, acquisitions and other strategic transactions, due diligence processes are used that integrate ESG (environmental, social, governance) criteria. This includes analysing potential violations of anti-corruption directives, human rights and other governance risks.

This will be adapted to new regulatory requirements and market conditions if necessary.

This approach helps the company to ensure responsible corporate governance and ensure long-term success in a competitive global market.

Disclosure requirements in the ESRS covered by the company's non-financial report

The final result of the double materiality assessment found that 13 of the total 37 possible ESRS sub-topics are material for KSB.

These can be grouped into the overarching topics Environment, Social and Governance.

The topics Biodiversity and ecosystems, Resource use and circular economy, Affected communities and Consumers and end users were excluded as the impacts, opportunities or risks were considered negligible.

ESRS standards relevant to KSB and material subtopics

- **ESRS E1 Climate Change**
  - Climate change adaptation
  - Climate change mitigation
  - Energy
- **ESRS E2 Pollution**
  - Substances of concern and substances of very high concern
- **ESRS E3 Water and Marine Resources**
  - Water
- **ESRS S1 Own Workforce**
  - Working conditions
  - Equal treatment and opportunities for all
- **ESRS S2 Workers in the Value Chain**
  - Working conditions
  - Equal treatment and opportunities for all
  - Other work-related rights
- **ESRS G1 Corporate Governance**
  - Corporate culture
  - Protection of whistleblowers
  - Corruption and bribery

The materiality threshold for impacts was defined in accordance with the specifications of the European Financial Reporting Advisory Group (EFRAG). On this basis, actual impacts with a score of eight or higher were classed as material (important).

For potential impacts, materiality is based on a matrix that assesses the severity and likelihood of the impact materialising. This matrix is presented as follows:

Risks and opportunities were considered financially material if the product of the likelihood of occurrence and most probable amount of loss was greater than € 5 million.

KSB did not deal with the materiality of information concept. All KPIs required by the ESRS were reported in accordance with the specifications.

Severity \ Likelihood	5 (Very likely)	4 (Likely)	3 (Neither likely nor unlikely)	2 (Unlikely)	1 (Very unlikely)
5 (Critical)	Material	Material	Material	Material	Material
4 (High)	Material	Material	Material	Material	Not material
3 (Moderate)	Material	Material	Not material	Not material	Not material
2 (Minor)	Material	Not material	Not material	Not material	Not material
1 (Negligible)	Not material	Not material	Not material	Not material	Not material

Environmental Information

Climate Change

Transition plan for climate change mitigation

All greenhouse gases of the operationally controlled subsidiaries were fully consolidated for the first time in the 2024 reporting year. This formed the basis for the development of a transition plan,

KSB plans to publish this plan in the medium term.

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

In the reporting year, KSB did not identify any material risks from its completed risk analyses for climate-related physical and transition risks, as described in the General Information section.

KSB's resilience analysis based on physical and transitory climate risks (which are described in detail in the General Information section) is based on all the company's operating segments and Corporate Functions, as well as the associated regional and global supply chains.

The resilience analyses were completed in the second half of the reporting year using the climate scenario analysis recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

These analyses were used to assess the resilience of KSB to the various risks.

Critical assumptions about the transition to a low-carbon and resilient economy

Macroeconomic trends

The transition to a low-carbon economy is being promoted by globally strengthened climate policies and carbon pricing. This is leading to changes in supply chains, an increased focus on sustainable products and services, and rising demand for energy-efficient solutions. For KSB, this could mean greater demand for green technologies, especially in the general industry, water and energy management sectors, to meet the stricter energy efficiency and emissions reduction requirements.

Energy consumption and mix

To achieve emissions targets, companies are increasingly facing the challenge of reducing energy consumption in the production and operation of their products and transitioning to renewable energies. KSB too is actively driving this transition by expanding its own production and procurement of renewable electrical energy worldwide and implementing energy efficiency measures.

As a result, the company's global energy mix will increasingly move towards renewable and nuclear energy sources with a declining focus on conventional energy sources. In the 1.5 °C scenario, the transition is accelerated, while in the 4 °C scenario, it is slower and attenuated.

KSB therefore remains clearly focused on developing:

- Energy-efficient pump and automation solutions
- Technologies to promote renewable and nuclear energy sources
- And using digital and automated control systems to optimise energy consumption in operational processes.

Technological change

The transition to a low-carbon economy will be driven by rapid technological innovations in energy efficiency, low-emissions technologies and digital solutions.
For KSB, this calls for investment in research and development to develop digital and low-emissions products that meet the demands of the changing market. Developing intelligent pump solutions with integrated automation functions is just one example.

Applied time horizons and their alignment with climate and business scenarios

The resilience analysis considers material risks and opportunities over three time horizons:

Short-term time horizon (reporting year):
For the short-term time horizon, KSB is focused on assessing current climate risks, including acute physical risks such as floods and heat waves, which can impact production sites and supply chains.

Medium-term time horizon (up to five years):
Within the next five years, the company will focus on rolling out stricter climate policies and influencing changes in the market. Transition risks such as new legal rules and regulations regarding CO_2 emissions as well as changing market requirements (e.g. demand for energy-efficient products) are expected to increase. Over this period, KSB will aim to adapt its product range to meet these requirements. To remain competitive, the company will focus on strategic investments in technological innovations and digitalising its products and processes.

Long-term time horizon (beyond 5 years):
KSB is expecting to see a complete transformation to a low-carbon economy in the long term. During this period, KSB will develop climate-neutral products and services and potentially introduce sustainable business models to address long-term transition risks such as the complete ban on fossil fuels. The focus will be on climate adaptation strategies, including ensuring the resilience of the company's own production facilities and supply chains.

These time horizons have been chosen in accordance with the requirements of ESRS 1 Paragraph 77 to allow for an informed assessment of physical and transition risks over different time periods.

The time horizons have been aligned with the climate-related and business scenarios and are intended to help KSB identify and manage material physical and transition risks. They also allow for the setting of realistic emissions reduction targets, which will be reported as part of the disclosures required by E1-4.

Financial effects of material physical and transition risks and climate change mitigation actions

Based on the risk analyses described in the General Information section, KSB anticipates the following financial effects:

Physical risks:
KSB does not anticipate any material financial risks from climate change in respect of the analysed assets (biggest production sites) of KSB and their supply chains.

Transition risks:
KSB does not anticipate any material financial risks in connection with the transition risks or climate-related impacts analysed.

Actions and resources related to climate change mitigation:
KSB plans to implement a number of climate change mitigation actions, including a reduction in operational CO_2 emissions, transition to renewable energies, and the optimisation of production processes to improve energy efficiency. Some of the investments required for this are already part of the current medium-term planning.
The financial impact of these actions and risks will be reviewed regularly and reported on in accordance with the disclosure requirements of the ESRS standards.

The resilience of the business model and supply chains is ensured by the diversified global production network with several manufacturing plants per product, as well as several main suppliers (at least two suppliers for all critical components).

The positive and negative impacts of climate change are generally favourable for KSB's business as pumps and valves are needed both for mitigating the impacts of climate change and for preventing climate-related disasters.

The customer base is also very broad due to the different applications and international focus of the business.

Adaptability of the business model to climate change

The resilience analysis of KSB's business model found that the company has a very good basis for successful business over the long term and is resilient. In all the climate scenarios considered, KSB is able to generate business in all market segments.

The only differences arising from the assessed climate scenarios and underlying assumptions will be a shift of focus to specific business activities.

KSB is able to:

- Ensure constant access to financial resources at an affordable cost of capital
- Flexibly repurpose, modernise or decommission existing assets
- Align the product and service portfolio to changing requirements
- Retrain the workforce to serve new technologies and market needs.

Policies related to climate change mitigation and adaptation

KSB is guided by the defined corporate guidelines and applicable laws. It arranges regular internal and external audits to ensure compliance with these requirements, mitigate negative environmental impacts and continuously improve the company's environmental and climate change mitigation activities.

KSB also implemented a Climate Protection Directive in the reporting year and wants to make an active contribution to reducing greenhouse gas emissions.

Directive: Climate Protection Directive
Key contents, general objectives and relation to material impacts, risks and opportunities: The KSB Group's Climate Protection Directive supports the company in its efforts to make an active contribution to reducing greenhouse gas (GHG) emissions. It sets out basic principles and targets for climate protection to strike a balance between profitable growth and the company's sustainability aims. This directive underlines KSB's commitment to supporting the energy transition towards renewable energy sources and the avoidance and reduction of GHG emissions worldwide with its own products and solutions. KSB also wants to limit the effects of climate change while also reducing environmental pollution. The directive forms the basis for KSB's commitment to climate protection. Why the climate is important to KSB: There is a broad scientific consensus that human activities, especially the burning of fossil fuels, are a major contributor to global warming. This has already led to rising temperatures and an increase in global energy consumption. Climate change has far-reaching impacts on people, ecosystems and economies. A healthy environment is fundamental for human health while the risks of climate change are already affecting economies worldwide; an impact that is only set to increase in the future. Relation to material impacts, risks and opportunities: The Climate Protection Directive describes the identified negative impacts of the KSB Group along its value chain, which encompasses the production sites, vehicle fleet, and upstream and downstream processes such as the purchase of raw materials and intermediate products as well as the operation of KSB products. It focuses on energy consumption and the associated GHG emissions. By taking targeted action in these areas, the company is not only reducing its environmental impact, but also creating opportunities for innovation towards more sustainable products and more efficient solutions.
Process for monitoring: The (regional / local) sustainability coordinators are responsible for developing, coordinating and implementing GHG reduction actions and reporting measures. These support Management in identifying risks and opportunities, implementing derived actions and monitoring progress. Management is updated twice a year through meetings of the Sustainability Committee, which are attended by all relevant corporate units (Finance, HR, Procurement, Corporate Strategy, Integrated Management). These meetings discuss the status of climate change mitigation actions. In addition, all employees are encouraged to actively contribute to the implementation of the Climate Protection Directive. They are invited to practice environmentally aware behaviour and make suggestions for improving sustainability activities to protect the global climate.
Scope of application and value chain: The Climate Protection Directive applies to the company and includes the upstream and downstream value chain with a focus on purchased goods and services and the product operating phase.
Responsible organisational level: The Management of KSB has overall responsibility for implementing the Climate Protection Directive. It ensures the availability of the necessary resources to achieve the greenhouse gas (GHG) reduction targets and promotes a culture of environmental awareness and sustainability within the company.
Reference to third-party standards or initiatives: • Paris Climate Agreement • 17 goals for sustainable development set out by the United Nations • UN Global Compact
Engagement with affected stakeholders: KSB defined its stakeholders in the context of the organisation and considered their expectations. KSB acknowledges the importance of cooperation with these external stakeholders and considers them important partners in implementing the derived climate change mitigation actions within the meaning of the directive. KSB will therefore involve relevant stakeholders in necessary actions. Cooperation with external stakeholders is intended to raise awareness of climate protection in the supply chains, for example, and to develop joint innovative solutions, where appropriate. External stakeholders were not involved directly in the development of the Climate Protection Directive.
Availability of the directive to stakeholders: The Climate Protection Directive is centrally accessible to all employees on the KSB Intranet and is available to external stakeholders on the KSB Group's web site.

Is climate change mitigation taken into account in the company's policies?	☒ YES	☐ NO

KSB's Climate Protection Directive aims to reduce energy consumption and related greenhouse gas emissions throughout the value chain.

Is climate change adaptation taken into account in the company's policies?	☒ YES	☐ NO

With its products and solutions, the company aims to mitigate the impacts of climate change and facilitate adaptation to climate change in line with the KSB Climate Protection Directive. Climate-related adaptation is not necessary for the KSB business model.

Is energy efficiency taken into account in the company's policies?	☒ YES	☐ NO

KSB is currently implementing an ISO 50001 energy management system at all German production sites in accordance with the Energy Efficiency Act (EnEfG). It has therefore not yet formulated a separate directive for energy efficiency.

Is renewable energy deployment taken into account in the company's policies?	☒ YES	☐ NO

In accordance with the KSB Climate Protection Directive, the company is committed to supporting both the energy transition towards renewable energy sources and the avoidance and reduction of greenhouse gases worldwide with its products and solutions. KSB evaluates and communicates internally the greenhouse gas emissions of different companies relative to sales revenue with the aim of encouraging an increasing use of renewable energies.

The use of renewable energies has not yet been mandated as the decision to use renewable energies is left to the KSB Regions, depends on local availability and is subject to economic considerations.

Are other areas considered in the company's policies?	☐ YES	☒ NO

Actions and resources in relation to climate change policies

KSB has formed a sustainability network for the planning and implementation of ESG-related actions. All KSB Regions are part of this network and share information every six weeks on the planned actions and development of ESG topics in the regions. The sustainability network is responsible for consolidating the regional actions implemented and planned for the KSB Group. The necessary investments are planned regionally and are an integral part of the regular budgeting process at KSB.

KSB has not yet prepared a detailed action plan based on the ESRS requirements because it does not yet have a transition plan to achieve net zero emissions. It is therefore unable to meet all the ESRS disclosure requirements at this time.

However, since 2018, KSB has been looking at material company locations in relation to greenhouse gases and their Scope 1 and 2 emissions, and has defined reduction actions.

KSB continues to focus on implementing the following key actions (current and future) to reduce greenhouse gas emissions at the production sites (Scope 1 and 2, own operations) and will expand these further in the development of its net zero action plan:

Mitigation actions with decarbonisation levers and nature-based solutions:

- Use of renewable energy
- Energy efficiency and substitution of fossil fuels
- New high-efficiency products
- Nature-based solutions (NbS)

Use of renewable energy

Expansion of the company's own PV energy production and purchase of renewable energy

Actions in the 2024 reporting year linked to the purchase of renewable electrical energy	• The Grovetown office (KSB GIW USA) began obtaining 100 % of its electrical energy from renewable sources. • The Alphen aan den Rijn site (Netherlands) began procuring 100 % of its electrical energy from renewable sources. • All four locations in Finland for the first time purchased 100 % of their electrical energy from renewable sources. • At the Shanghai site (China), KSB installed additional roof-mounted PV modules as part of a power purchase agreement (PPA). • For the Pimpri / Pune site (India), additional renewable electricity was purchased on the basis of a PPA.
Expected results	• An increase in the share of renewable energies for electrical energy. • Reduction in Scope 2 emissions.
Contribution to the achievement of the targets	• Achieved reduction of GHG emissions through the avoidance of conventional electrical energy.
Scope	The share of energy converted from 'grey' to 'green' electricity is significant, especially due to the conversion of the Grovetown sites where there is a large foundry and the new PPA project in India.
Time horizons	The actions mentioned have an impact in the short term and count towards the company's long-term goal of 100 % electricity from renewable sources.

Actions in the 2024 reporting year linked to the expansion of the company's own renewable energy production	New photovoltaic systems were put into service at the: • Frankenthal site (Germany) • Loughborough site (UK) • Kerava site (Finland) • Bronisze site (Poland) • Echternach site (Luxembourg) • Hasan Abdal site (Pakistan) • Ankara site (Turkey)
Expected results	• Increase in renewable electricity production in the reporting year. • Reduction in Scope 2 emissions.
Contribution to the achievement of the targets	• Achieved reduction of GHG emissions through the avoidance of conventional electrical energy.
Scope	Some actions implemented at individual locations, as listed above.
Time horizons	The actions have an impact in the short term and count towards the company's long-term goal of 100 % electricity from renewable sources.

Energy efficiency and substitution of fossil fuels

- Building efficiency:
  - Construction projects (new buildings and renovations)
  - Energy efficiency measures (insulation, replacement of lighting systems)
- Process efficiency:
  - Replacement of machinery and systems with low energy efficiency
  - Conversion of heating systems
- Vehicle fleet:
  - In the long term, KSB is moving to an all-electric vehicle fleet and is investing in charging infrastructure.

Actions in the 2024 reporting year	Building efficiency: • Various actions related to the insulation of buildings, replacement of windows, replacement of lighting with LEDs and the use of waste heat from air compressors at sites in Germany, the Netherlands, Italy, France and Spain
Expected results	• Energy savings and reduction in related Scope 1 and 2 greenhouse gas emissions.
Contribution to the achievement of the targets	• Achieved reduction of GHG emissions.
Scope	Some actions implemented at individual locations, as listed above.
Time horizons	The actions have an impact in the short term.

Actions in the 2024 reporting year	Process efficiency: • Various actions related to the replacement of heating systems and heat recovery in manufacturing processes at sites in Germany and Luxembourg.
Expected results	• Energy savings and reduction in related Scope 1 and 2 greenhouse gas emissions.
Contribution to the achievement of the targets	• Achieved reduction of GHG emissions.
Scope	Some actions implemented at individual locations, as listed above.
Time horizons	The actions have an impact in the short term.

Actions in the 2024 reporting year	Vehicle fleet: • Many vehicles in Germany and Sweden replaced with electric vehicles.
Expected results	• Energy savings and reduction in related Scope 1 and 2 greenhouse gas emissions.
Contribution to the achievement of the targets	• Currently no contribution as the vehicle fleet does not yet fall under a GHG emissions reduction target.
Scope	These actions concern company vehicles under KSB's operational control (the KSB vehicle fleet).
Time horizons	The actions have an impact in the short term and help to reduce vehicle fleet-related greenhouse gas emissions.

New high-efficiency products

To reduce energy consumption in the operating phase of the products, KSB already offers highly efficient, highly automated solutions and additional sensors for identifying potential savings.

Actions in the 2024 reporting year	Market launch of new, high-efficiency and digital products: • PumpDrive 3 variable speed system with pay-per-use function and FlowManager app • AmaProp, IIOT-ready • AmaRex Pro, IIOT- ready • UPA 400+ • UPA S 12" and 14"
Expected results	Reduction of energy consumption and associated greenhouse gas emissions during the operating phase of KSB products.
Contribution to the achievement of the targets	There is currently no specific target for energy consumption and Scope 3 emissions during operation, but KSB is working on a target for some of its products in the reporting year.
Scope	Even if the savings percentage is low, the total share still has a considerable impact in consideration of the quantities sold and the period of operation.
Time horizons	The actions have an impact in the short term and help to reduce energy consumption and greenhouse gas emissions associated with product operation.

Nature-based solutions (NbS)

KSB does not currently use any nature-based solutions, such as reforestation projects for the long-term storage of carbon.

The implementation of climate change mitigation actions depends on the current economic situation of the company and is therefore evaluated and decided as part of regular budget planning.

An investment plan for necessary actions will also be prepared and approved by the Management, the Administrative Board and the Supervisory Board as part of the net zero transition plan.

In the reporting year, KSB did not invest significant sums in the implementation of the actions taken or planned.

Targets related to climate change mitigation and adaptation

Mitigating the impact of climate change and protecting the environment are tasks that can only be achieved together. As a manufacturing company, KSB takes care to use natural resources responsibly. This includes reducing the company's consumption of energy and raw materials as far as possible. In addition to mitigating negative environmental impacts, this also increases the company's profitability.

Under the current CO_2 reduction targets, CO_2 emissions produced by the material locations (excluding those of the vehicle fleet), which are chiefly the manufacturing plants and large service locations, are to be reduced by 30 % by 2025 (based on the 2018 figure). The target value for 2030 has been scaled based on the average annual reduction of 4.29 % and thus meets the minimum reduction of 4.2 % per year until 2030 according to the emission pathway compatible with limiting global warming to 1.5 °C.

In 2024, GHG emissions associated with greenhouse gases for air conditioning systems were included in the scope of Scope 1. KSB has also improved the recording and calculation of market-based Scope 2 emissions based on the disclosures of electricity suppliers. These adjustments to the calculation methodologies and the scope of recording also have an impact on the total of Scope 1 and Scope 2 market-based GHG emissions.

Overview of GHG emission reduction targets

Relationship of the target to the Directive objectives	The Directive does not mention a specific target.
Set target level (absolute) and target achievement period (including milestones)	Reduction target in % by 2025: -30 % (base year 2018)
	Reduction target in % by 2030 (4.29 % per year): -51 % (base year 2018)
GHG emissions scopes	Scope 1 & 2 market-based (excluding vehicle fleet and fugitive emissions)
Base year and base value compared to current status	2018 / 101.339 tCO_2eq (base value) 2024 / 62,486 tCO_2eq
Stakeholder engagement	Stakeholders were not involved in the setting of this target.
Change to targets and parameters	No changes
Current progress [%]	-38 %
Percentage of Scope 1 GHG emissions covered by this target [%]	62 %
Percentage of Scope 2 GHG emissions covered by this target [%]	100 %
Percentage of Scope 3 GHG emissions covered by this target [%]	0 %
Percentage of total GHG emissions covered by this target (Scope 1,2,3) [%]	0.024 %
Assumption	Based on cross-sector reductions pathway (1.5 ° limit)
Methodology	Defined by management

KSB has chosen 2018 as the base year and corresponding baseline value.

KSB considers this figure to be representative of the company's activities and greenhouse gas emissions as no significant acquisitions have been made in the meantime, nor have there been any changes to the business model. There were also no material increases in quantities sold. However, the baseline value has not been normalised, using averages from the last three years for example. Distortions caused by exceptional external factors, such as weather-related anomalies, were not considered material.

KSB confirms that the baseline value and base year have not been changed to date.

Progress compared with initial plan, how it is monitored and reviewed, and an analysis of trends or significant changes

The progress at KSB is in line with the original plans. Progress is monitored on an annual basis and reviewed through a combination of internal and external audit processes. External audits are conducted by independent auditors who assess target achievement and reporting accuracy.

KSB's performance has been impacted by the following trends and changes:

- Efficiency improvements: The implementation of a new heating system at the Frankenthal site has led to a significant reduction in Scope 1 emissions.
- Greater share of renewable energies: 62 % of KSB's own electricity needs are now covered by renewable energy sources, which has significantly reduced its own Scope 2 emissions.
- Influences from external factors: The energy crisis-related increase in energy costs has prompted KSB to implement efficiency projects faster than originally planned.

The current greenhouse gas emission targets relate to the production sites and the associated Scope 1 and Scope 2 CO_2 emissions.

To ensure consistency between the greenhouse gas emissions reduction targets pursued by KSB and the limits of the greenhouse gas inventory, the company has taken the following actions:

- Definition of clearly defined inventory limits: The greenhouse gas inventory includes all relevant emissions sources, including direct emissions (Scope 1), indirect emissions from energy consumption (Scope 2) and other indirect emissions along the value chain (Scope 3).
- Compliance with international standards: The inventory limits and emissions calculations are in line with the GHG Protocol guidance to ensure international recognition and comparability of the data.
- Reviews and adjustments: KSB regularly conducts internal reviews to ensure that all relevant emissions sources are recorded correctly and that the reduction targets are adjusted accordingly.

KSB's current greenhouse gas reduction targets are not yet officially recognised as science based and have not yet undergone formal validation, under the Science Based Targets Initiative (SBTi) for instance, to verify their compatibility with the 1.5 °C target.

KSB has developed the current targets based on internal calculations and industry-specific benchmarks to identify reduction potential.

Currently, these targets are based on a cross-sector reductions pathway based on a 1.5-degree target reference value.

The underlying climate scenarios are based on general industry forecasts. No specific, external climate-related or political scenarios have been formally included however.

Future developments, such as changes in quantities sold or customer preferences, regulatory changes or technological advances have so far not played a role in the setting of Scope 1 and 2 targets.

Cross-sector (ACA) reductions pathway based on the year 2020 as the base year	
Reduction by 2030	-42 %
Reduction by 2050	-90 %

Source: based on Pathways to Net-zero –SBTi Technical Summary (Version 1.0, October 2021)

The most relevant decarbonisation levers for KSB are:

- The generation and purchase of renewable energy: Savings potential of approx. 50 % of total Scope 1 and 2 greenhouse gas emissions (excluding vehicle fleet and fugitive emissions)
- Energy efficiency and substitution of fossil fuels Savings potential of approx. 50 % of total Scope 1 and 2 greenhouse gas emissions (excluding vehicle fleet and fugitive emissions).

KSB did not consider a diverse range of climate scenarios when defining the decarbonisation levers as the climate scenario analysis did not show a material impact on KSB's business or product range.

Energy consumption and mix

Total energy consumption of the company

Metric	Description	Unit	2024 value
Total energy consumption	**Total from fossil, nuclear and renewable sources**	**MWh**	**337,461.4**
Total energy consumption from fossil sources	**Total energy consumption from fossil sources and share of fossil sources in total energy consumption**	**MWh / %**	**229,225.3 / 67.93 %**
	Fuel consumption from coal and coal products	**MWh**	**0.0**
	Fuel consumption from crude oil and petroleum products	**MWh**	**48,304.5**
	Fuel consumption from compressed natural gas (CNG) / liquefied petroleum gas (LPG)	**MWh**	**115,496.8**
	Fuel consumption from other fossil sources	**MWh**	**0.0**
	Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	**MWh**	**65,424.0**
Total energy consumption from nuclear sources	**Total energy consumption from nuclear sources and share of nuclear sources in total energy consumption**	**MWh / %**	**0.0 / 0.00 %**
Total energy consumption from renewable sources	**Total energy consumption of renewable energy and share of renewable sources in total energy consumption**	**MWh / %**	**108,236.1 / 32.07 %**
	Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources	**MWh**	**6,829.5**
	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	**MWh**	**98,148.9**
	Consumption of self-generated non-fuel renewable energy	**MWh**	**3,257.7**
Energy generation	Generation of non-renewable energy	**MWh**	**0.0**
	Generation of renewable energy	**MWh**	**3,325.6**
Energy intensity based on net revenue	Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh / Monetary unit)	**Energy consumption in MWh per € thousand revenue**	**0.1138**

KSB's total revenues are associated with activities in high climate impact sectors.

Since mechanical engineering falls within the energy-intensive sector, KSB's total energy consumption is associated with activities in the energy-intensive sector.

Sector: Mechanical engineering, NACE code 28.

Reconciliation with net sales revenue from financial statements:

Net sales revenue from activities in high climate impact sectors used to calculate energy intensity	€ 2,965 million
Net sales revenue (other)	€ 0
Total net sales revenue (financial statements)	€ 2,965 million

Gross Scopes 1, 2, 3 and Total GHG emissions

Total GHG emissions, disaggregated by Scope 1, Scope 2 and significant Scope 3 emissions					Milestones and target year		
Description	**Base year (2018)**	**2023**	**2024**	**% compared to previous year**	**2025**	**2030**	**Annual % target / base year**
Scope 1 GHG emissions (tCO_2eq)							
Gross Scope 1 GHG emissions (tCO_2eq)	-	-	37,971	-	-	-	-
Biogenic GHG emissions from the combustion of wood	-	-	2,321	-	-	-	-
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (in %)	-	-	0 %	-	-	-	-
Scope 2 GHG emissions (t CO_2eq)							
Gross location-based Scope 2 GHG emissions (tCO_2eq)	-	-	73,866	-	-	-	-
Gross market-based Scope 1 GHG emissions (tCO_2eq)	-	-	38,068	-	-	-	-
Significant Scope 3 GHG emissions (in accordance with the GHG Protocol)							
Gross total indirect (Scope 3) GHG emissions (tCO_2eq)	-	-	264,145,284	-	-	-	-
1: Purchased goods and services (tCO_2eq)	-	-	796,701	-	-	-	-
2: Capital goods	-	-	Not material	-	-	-	-
3: Activities related to fuels and energy (not included in Scope1 or Scope 2)	-	-	Not material	-	-	-	-
4: Upstream transportation and distribution	-	-	Not material	-	-	-	-
5: Waste generated in operations	-	-	Not material	-	-	-	-
6: Business travel	-	-	Not material	-	-	-	-
7: Employee commuting	-	-	Not material	-	-	-	-
8: Upstream leased assets	-	-	Not material	-	-	-	-
9: Downstream transportation	-	-	Not material	-	-	-	-
10: Processing of sold products	-	-	Not material	-	-	-	-
11: Use of sold products (tCO_2eq)	-	-	263,348,583	-	-	-	-
12: End-of-life treatment of sold products	-	-	Not material	-	-	-	-
13: Downstream leased assets	-	-	Not material	-	-	-	-
14: Franchises	-	-	Not material	-	-	-	-
15: Investments	-	-	Not material	-	-	-	-
Total GHG emissions							
Total GHG emissions (location-based) (tCO_2eq)	-	-	264,257,121	-	-	-	-
Total GHG emissions (market-based) (tCO_2eq)	-	-	264,221,323	-	-	-	-
GHG intensity based on net revenue				-	-	-	-
Total GHG emissions (location-based) per net revenue (tCO_2eq / € thousand)	-	-	89.1255	-	-	-	-
Total GHG emissions (market-based) per net revenue (tCO_2eq / € thousand)	-	-	89.1134	-	-	-	-

Total net sales revenue used to calculate GHG intensity	€ 2,965 million
Total net sales revenue (other)	€ 0
Total net sales revenue (financial statements)	€ 2,965 million

Contractual instruments bundled with attributes about the energy generation	
Share:	• 35 locations with green energy contracts (EU) • 9 locations with PPA contracts
Types:	• Power purchase agreements (PPAs) that include the renewable energy and related Guarantees of Origin (e.g. certificates that comply with the EU Directive). • Standardised energy supply contracts, in which the supply chain attributes are used to guarantee the origin of the energy. Examples: Long-term contracts with wind turbine and solar park operators. Green electricity contracts within the EU.

Contractual instruments for unbundled attribute claims:	
Share:	• 9 locations with green electricity based on unbundled RECs in the United States and Brazil
Types:	• Spot market transactions with no directly allocated energy attributes. • Contracts with energy traders where attributes are optionally purchased separately Examples: Short-term electricity purchases without guarantees of origin

Additional notes

The company prioritises long-term contracts with bundled energy generation attributes to support its sustainability goals and increase the transparency of its energy consumption.

The above proportions and types are based on data for the 2024 reporting year and are subject to change depending on market conditions and corporate strategies.

Disclosure of biogenic emissions of CO_2 and other greenhouse gases (Scope 2)

The company used location- and market-based emission factors for its greenhouse gas reporting.

This had the following limitations

- Biogenic CO_2 emissions:
  The underlying emission factors do not provide information on the percentage share of biogenic CO_2 emissions or their separation from fossil emissions.
  The company points out that this is a limitation in the exact calculation and separation of biogenic and fossil emissions.
- Other greenhouse gases (CH_4 and N_2O):
  No specific data on methane (CH_4) and nitrous oxide (N_2O) are included in the emission factors used for the location-based method (grid-based averages).
  Nor is there any information on the proportions of these gases in the energy mixes used for the market-based method.

Impacts of data gaps

These limitations could lead to an underestimation of the total greenhouse gas emissions from energy consumption. The company shall include more detailed information in future reporting as it becomes available.

Percentage of emissions determined from primary data from suppliers: 0 %

Overviews of Scope 1 and Scope 2 emissions of the companies by consolidation status for accounting purposes

The consolidated accounting group (parent and subsidiaries)	
Gross Scope 1 GHG emissions (tCO_2eq)	37,629
Gross Scope 2 GHG emissions (location-based) (tCO_2eq)	73,201
Gross Scope 2 GHG emissions (market-based) (tCO_2eq)	37,725
Gross total GHG emissions (location-based) (tCO_2eq)	110,830
Gross total GHG emissions (market-based) (tCO_2eq)	75,354

Subsidiaries under KSB's operational control that are not consolidated in the financial statements:	
Gross Scope 1 GHG emissions (tCO_2eq)	342
Gross Scope 2 GHG emissions (location-based) (tCO_2eq)	665
Gross Scope 2 GHG emissions (market-based) (tCO_2eq)	343
Gross total GHG emissions (location-based) (tCO_2eq)	1,007
Gross total GHG emissions (market-based) (tCO_2eq)	684

Table of companies that are not consolidated in the financial statements but are operationally controlled by KSB

Name and seat	Country	Financial consolidation status	Operational control
KSB BOMBAS E VÁLVULAS (Angola), LDA, Belas	Angola	Not consolidated	Yes
KSB Ecuador S.A., Samborondón	Ecuador	Not consolidated	Yes
KSB Panama S.A., Panama	Panama	Not consolidated	Yes
KSB Pumpe i Armature d.o.o. Belgrade	Serbia	Not consolidated	Yes
KSB pumpe i armature d.o.o., Rakov Potok	Croatia	Not consolidated	Yes
KSB PUMPS AND VALVES (NAMIBIA) (PROPRIETARY) LIMITED, Klein Windhoek	Namibia	Not consolidated	Yes
KSB Pumps and Valves Nigeria Ltd, Lagos	Nigeria	Not consolidated	Yes
KSB Service Egypt LLC, Cairo	Egypt	Not consolidated	Yes
KSB ZAMBIA LIMITED, Kitwe	Zambia	Not consolidated	Yes
Techni Pompe Service Maroc (TPSM), Casablanca	Morocco	Not consolidated	Yes
Vari.Co. GmbH, Karlsruhe	Germany	Not consolidated	Yes
KSB Bolivia S.R.L., La Paz	Bolivia	Not consolidated	Yes

GHG removals and GHG mitigation projects financed through carbon credits

In the reporting year, KSB did not use any GHG removals or mitigation projects financed through carbon credits.

Internal carbon pricing

KSB did not use internal carbon pricing in the reporting year.

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

According to ESRS 1 Appendix C, disclosures are not required on this subject in the first year of reporting.

Methods and calculation factors for climate change-related KPIs

Energy consumption

The companies over which KSB has operational control are consolidated for the energy consumption calculation.

Most of the energy data comes directly from the KSB sites and is combined and centrally consolidated by regional coordinators.

KSB's energy consumption is based on a number of different energy sources, including:

- Electricity
- District heating
- Fuel oil
- Natural gas
- Liquefied petroleum gas (LPG)
- Biomass (especially wood)
- Petrol and diesel

Data sources for energy consumption include manual meter readings, automated systems for real-time usage monitoring and utility bills.

Greenhouse gas emissions

KSB calculates its Scope 1 and 2 GHG emissions in accordance with the GHG Protocol. The companies over which KSB has operational control are consolidated for this.

The following greenhouse gases are material for KSB:

- Carbon dioxide CO_2 (from the combustion of fossil energy sources)
- Methane CH_4 and nitrous oxide N_2O (from the combustion of biomass)
- Hydrofluorocarbons (HFCs) due to fugitive emissions from air conditioning systems

GHG emissions are reported in metric tons using carbon equivalents (CO_2eq).

Scope 3 emissions are consistent with the GHG Protocol reporting boundaries and include:

- Indirect Scope 3 GHG emissions from the consolidated Group companies (the parent and its subsidiaries)
- Indirect Scope 3 GHG emissions from associates, joint ventures, and unconsolidated subsidiaries for which the company has the ability to control the operational activities and relationships (i.e., operational control)
- Scope 1, 2 and 3 GHG emissions from associates, joint ventures, unconsolidated subsidiaries (investment entities) and joint arrangements over which the company does not have operational control and when these entities are part of the company's upstream and downstream value chain.

The reported material Scope 3 emissions are calculated on the basis of spend- and activity-based data from central financial, controlling and procurement sources.

Calculation factors

KSB uses emission factors to calculate GHG emissions, as described below.

Scope 1
These emissions result from stationary combustion, mobile combustion and fugitive emissions (from air conditioning systems).

For most calculations, KSB uses the conversion factors of the German Federal Office of Economics and Export Control (BAFA), unless locally specific factors are available. For fugitive emissions, it uses the conversion factors of DEFRA (Department for Environment, Food & Rural Affairs).

Scope 2
These emissions are indirect GHG emissions associated with the purchase of electricity and district heating.

For the calculation of market-based Scope 2 emissions and for district heating, KSB uses supplier-specific conversion factors that are consistent with the GHG Protocol quality standards. For the location-based calculation, KSB uses factors from the Ecoinvent database (version 3.10). The conversion factors are updated annually based on the most up-to-date data.

Scope 3.1 (Purchased goods and services)
GHG emissions are calculated based on the financial spend in euros per product group for the goods and services purchased in the reporting year.

The financial spend is multiplied by the applicable environmentally-extended input output (EEIO) emission factors. These provider-supplied EEIO factors are adjusted for global inflation, average global improvements in CO_2eq / GDP and the shift towards the service sector in the global economy.

Scope 3.11 (Use of sold products)
In line with guidance from the EuroPump industry association, emissions were calculated based on the quantity sold per sales region, the emission factors of the sales regions from Ecoinvent and the energy consumption per sold product multiplied by the operating hours of the service life.

For the electricity mix data of the Regions, forecasts were made based on the anticipated, product service life-related future development of the electricity mix of the sales region from Ecoinvent. These were included in the calculation. For pumps in power plants, calculations were based on the fuel-specific GHG emissions, which differ depending on Region, per KWh (VDA, Ecoinvent).

The service life of pumps and valves was determined by product category. In general, an expected service life of ten years is assumed for all products. A service life of 25 years is assumed for pumps in conventional power plants and pumps used for mining, rising to 40 years for pumps used in the primary process of nuclear power plants.

The analysis included a control factor as per the EuroPump Guide to accommodate variable loads and the adaptability of the pumps.

A similar methodology was used for valves based on 40,000 cycles over the defined service life.

EU Taxonomy Regulation

The European Union has set itself the goal of becoming climate-neutral by 2050. As part of the Green Deal, the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the Establishment of a Framework to Facilitate Sustainable Investment, and Amending Regulation (EU) 2019/2088, hereinafter referred to as the EU Taxonomy Regulation, entered into force in 2020.

The taxonomy sets out a classification system for environmentally sustainable economic activities and defines six environmental objectives:

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

The EU Taxonomy Regulation defines economic activities and technical screening criteria for achieving environmental objectives in the Climate Delegated Act and the Environmental Delegated Act.

Economic activities qualify as taxonomy-eligible if they correspond to at least one of the activity descriptions set out in the aforementioned delegated acts.

If the taxonomy-eligible economic activities also:

1) Make a substantial contribution to the fulfilment of one or more of the six environmental objectives
2) Do not significantly affect the fulfilment of the five other EU environmental objectives (Do No Significant Harm, or DNSH)
3) Comply with the minimum safeguards

they are classified as taxonomy-aligned.

The assessment of whether an economic activity makes a substantial contribution to one of the environmental objectives and does no significant harm to the five other environmental objectives shall be made on the basis of technical screening criteria.

Delegated Regulation (EU) 2021/2178 requires companies to report information on the key performance indicators of sales revenue, capital expenditure (CapEx) and operating expenditure (OpEx) relating to taxonomy-eligible and taxonomy-aligned economic activities as well as to publish additional quantitative and qualitative information.

The capital expenditure and operating expenditure performance indicators are classified into the following categories:

- Category A: Capital or operating expenditure related to assets or processes associated with taxonomy-aligned economic activities
- Category B: Capital or operating expenditure that is part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned economic activities
- Category C: Capital or operating expenditure related to the purchase of output from taxonomy-aligned economic activities and individual measures enabling certain target activities to become low-carbon or to lead to greenhouse gas reductions.

Procedure in the reporting year

In order to identify taxonomy-eligible economic activities, all activities listed in the annexes to the Climate Delegated Act and the Environmental Delegated Act were assessed in the impact analysis for relevance to KSB. Experts from specialist departments including Product Development, Sales, Facility Management and IT were consulted for this assessment. Responsibility for the data collection and reporting process lies with the Finance department.

The following findings regarding KSB's economic activities were made as part of the impact analysis in connection with the key performance indicators relevant to the EU taxonomy:

KSB's core sales activities almost exclusively comprise the manufacture of pumps and valves, and provision of related spare parts and service. The EU taxonomy currently in force in particular covers economic activities that have a material impact on the climate or the environment. As this is largely not the case with mechanical engineering, KSB cannot allocate its sales activities to such economic activities. In particular, it was assessed whether the economic activities of environmental objective (4) Transition to a circular economy from Section 5. Services could be relevant for KSB. However, the NACE codes listed in the activity descriptions to narrow down the products considered for this activity do not fall within the scope of the Group's activities.

Furthermore, KSB does not engage in any of the economic activities described in the European Commission Delegated Regulation (EU) 2022/1214 in connection with the production of energy from fossil gas or nuclear energy. KSB therefore has not used the specific reporting forms for these activities in accordance with Annex XII of the European Commission Delegated Regulation (EU) 2021/2178.

Accordingly, as in previous years, KSB does not report any taxonomy-eligible or taxonomy-aligned sales revenue in the 2024 financial year.

Capital expenditure and operating expenditure relating to assets or processes associated with taxonomy-aligned economic activities (Category A) therefore also cannot be reported. Furthermore, there is no CapEx plan to expand a taxonomy-aligned activity or upgrade a taxonomy-eligible activity to become a taxonomy-aligned activity. Thus, no category B capital expenditure or operating expenditure is reported.

With regard to capital expenditure and operating expenditure in category C, from the purchase of taxonomy-aligned products and individual measures, the following taxonomy-eligible economic activities were identified in the impact analysis for the KSB Group:

→ Taxonomy-eligible economic activities

Taxonomy-eligible economic activities:

Economic activities according to the EU taxonomy	Examples of activities at KSB
Manufacturing / Production of goods	
CCM 3.9 Manufacturing of iron and steel	• Purchasing of machinery for manufacturing steel pipes
Transport	
CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles	• Purchasing and leasing of passenger cars
CCM 6.6 Freight transport services by road	• Purchasing and leasing of commercial vehicles
Construction and real estate	
CCM 7.2 / CE 3.2 Renovation of existing buildings	• Renovation of administrative buildings
CCM 7.3 Installation, maintenance and repair of energy efficiency equipment	• Replacement of existing windows with new energy-efficient windows
CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	• Purchasing and installation of charging stations for electric vehicles
CCM 7.6 Installation, maintenance and repair of renewable energy technologies	• Purchasing and installation of solar power systems
CCM 7.7 Acquisition and ownership of buildings	• Purchasing and leasing of non-residential buildings

The identified taxonomy-eligible economic activities were primarily allocated to environmental objective (1) Climate change mitigation, as KSB has a greater influence on the contribution to this environmental objective.

Despite the corresponding activity description, the activities of environmental objective (2) Climate change adaptation were not reported as taxonomy eligible because they are not enabling activities or there is no separable, specific capital expenditure or operating expenditure for climate change adaptation.

Assessment of taxonomy eligibility and alignment

The basis for determining taxonomy-eligible and taxonomy-aligned economic activities are the actually identified capital expenditure and operating expenditure calculated for the fully consolidated companies in the Group, which were assessed and audited in terms of a cost-benefit ratio.

The relevant performance indicators were determined using a questionnaire prepared by KSB in which the potential taxonomy-eligible economic activities identified in the impact analysis were assessed. When validating the questionnaires, particular care was taken to ensure that the figures reported by the companies were not counted twice.

The analysis of capital expenditure showed that economic activities amounting to € 79.3 million (46.6 % of total investments) (previous year: € 62.8 million, 46.3 % of total investments) correspond to the activity descriptions of the delegated acts and therefore constitute taxonomy-eligible capital expenditure.

Breakdown of capital expenditure by environmental objectives

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-aligned per objective
Climate change mitigation (CCM)	–	46.6 %
Climate change adaptation (CCA)	–	–
Water (WTR)	–	–
Circular economy (CE)	–	9.1 %
Pollution prevention and control (PPC)	–	–
Biodiversity (BIO)	–	–

Taxonomy-eligible operating expenditure amounted to € 5.3 million (4.0 % of total operating expenditure) in the reporting year (previous year: € 6.3 million, 5.3 % of total operating expenditure).

Breakdown of operating expenditure by environmental objectives

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	–	4.0 %
Climate change adaptation (CCA)	–	–
Water (WTR)	–	–
Circular economy (CE)	–	1.5 %
Pollution prevention and control (PPC)	–	–
Biodiversity (BIO)	–	–

In addition, the identified taxonomy-eligible economic activities were analysed with regard to their substantial contribution as part of the taxonomy alignment assessment. As the identified taxonomy-eligible economic activities relate to the acquisition of products from taxonomy-aligned economic activities (Category C), the assessment of alignment (except for economic activities CCM 7.4 and CCM 7.6) is dependent on the provision of relevant proof by external third parties and cannot be carried out independently by KSB. Suppliers were therefore contacted to verify compliance with the technical screening criteria. The documents required by the delegated acts could not be provided by the external third parties to a sufficient extent.

For the economic activities CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings and CCM 7.6 Installation, maintenance and repair of renewable energy technologies, KSB meets the substantial contribution criteria. However, the suppliers were unable to provide further proof of compliance with EU taxonomy alignment.

As a result, KSB was unable to report any taxonomy-aligned capital expenditure and operating expenditure in the 2024 financial year.

Calculation of key performance indicators

The sales revenue performance indicator was calculated as the proportion of sales revenue derived from products and services generated by taxonomy-eligible and -aligned economic activities (numerator) divided by the sales revenue generated in the reporting year (denominator). The denominator of the sales revenue performance indicator can be found in the statement of comprehensive income in the Consolidated Financial Statements section. As described above, no taxonomy-eligible and -aligned economic activities can be reported in relation to sales revenue.

The capital expenditure (CapEx) performance indicator is defined as capital expenditure in taxonomy-aligned and -eligible economic activities (numerator) divided by total capital expenditure made in the financial year (denominator). Total capital expenditure includes additions to property, plant and equipment (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16). A breakdown of the composition of capital expenditure by asset class is presented in the Consolidated Financial Statements, Section IV. Balance Sheet Disclosures, Sub-sections “1. Intangible assets”, “2. Right-of-use assets” and “3. Property, plant and equipment”.

The operating expenditure (OpEx) performance indicator is defined as operating expenses in taxonomy-aligned and -eligible economic activities (numerator) divided by total operating expenses (denominator). The denominator of operating expenses comprises direct, non-capitalised costs related to research and development, maintenance and short-term lease expenses. Maintenance expenses include both services provided by third parties and maintenance work performed by KSB employees. The operating expenditure performance indicator is reported in accordance with the definition of the EU Taxonomy Regulation and is not included in the consolidated financial statements in this form.

Given the dynamic situation relating to the relevant legislation, KSB points out that the impact analysis and interpretation of the key financial indicators to be determined may be subject to adjustments in the future.

Proportion of sales revenue from products or services associated with taxonomy-aligned economic activities – Disclosures for the 2024 financial year

	2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities (1)	Code(s) (2)	Sales revenue (3)	Proportion of sales revenue, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or -eligible (A.2.) sales revenue, 2023 (18)	Category Enabling activity (19)	Category Transitional activity (20)
		€ millions	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y / N**	**Y / N**	**Y / N**	**Y / N**	**Y / N**	**Y / N**	**Y / N**	**%**	**E**	**T**
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Sales revenue from environmentally sustainable activities (taxonomy-aligned) (A.1)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**								**–**		
Of which enabling activities		–	–	–	–	–	–	–	–								–	E	
Of which transitional activities		–	–	–													–		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Sales revenue from taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		–	–	–	–	–	–	–	–										
A. Sales revenue from taxonomy-eligible activities (A.1 + A.2)		–	–	–	–	–	–	–	–										
B. Taxonomy-non-eligible activities																			
Sales revenue from taxonomy-non-eligible activities		**2,965.2**	**100.0**																
Total		**2,965.2**	**100.0**																

*	Rounded 0.0
Y	Yes, taxonomy-eligible and, in relation to relevant environmental objective, taxonomy-aligned activity
N	No, taxonomy-eligible but, in relation to relevant environmental objective, not taxonomy-aligned activity
N/EL	Non-eligible, taxonomy-non-eligible activity in relation to relevant environmental objective
EL	Eligible, taxonomy-eligible activity in relation to relevant environmental objective

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities – Disclosures for the 2024 financial year

	2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, 2023 (18)	Category Enabling activity (19)	Category Transitional activity (20)
		€ millions	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y / N**	**Y / N**	**Y / N**	**Y / N**	**Y / N**	**Y / N**	**Y / N**	**%**	**E**	**T**
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		–	–	–	–	–	–	–	–								–		
Of which enabling activities		–	–	–	–	–	–	–	–								–	E	
Of which transitional activities		–	–	–													–		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacturing of iron and steel	CCM 3.9	0.2	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	13.1	7.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10.9		
Freight transport services by road	CCM 6.6	0.6	0.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Renovation of existing buildings	CCM 7.2 / CE 3.2	15.5	9.1	EL	N/EL	N/EL	N/EL	EL	N/EL								13.8		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	5.2	3.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.3		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.1	0.0 *	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 *		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	2.4	1.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7		
Acquisition and ownership of buildings	CCM 7.7	42.3	24.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								16.4		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		79.3	46.6	46.6	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %										
A. CapEx of taxonomy-eligible activities (A.1 + A.2)		79.3	46.6	46.6	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %										
B. Taxonomy-non-eligible-activities																			
CapEx of taxonomy-non-eligible activities		**91.0**	**53.4**																
Total		**170.3**	**100.0**																

* Rounded 0.0
Y Yes, taxonomy-eligible and, in relation to relevant environmental objective, taxonomy-aligned activity
N No, taxonomy-eligible but, in relation to relevant environmental objective, not taxonomy-aligned activity
N/EL Non-eligible, taxonomy-non-eligible activity in relation to relevant environmental objective
EL Eligible, taxonomy-eligible activity in relation to relevant environmental objective

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities – Disclosures for the 2024 financial year

	2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, 2023 (18)	Category Enabling activity (19)	Category Transitional activity (20)
		€ millions	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y / N**	**Y / N**	**Y / N**	**Y / N**	**Y / N**	**Y / N**	**Y / N**	**%**	**E**	**T**
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**								**–**		
Of which enabling activities		–	–	–	–	–	–	–	–								–	E	
Of which transitional activities		–	–	–													–		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacturing of iron and steel	CCM 3.9	0.1	0.0 *	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.7	0.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3		
Renovation of existing buildings	**CCM 7.2** / CE 3.2	1.9	1.5	EL	N/EL	N/EL	N/EL	EL	N/EL								2.6		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	1.4	1.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.2		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0 *	0.0 *	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.1	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Acquisition and ownership of buildings	CCM 7.7	1.0	0.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**5.3**	**4.0**	**4.0**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**										
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		**5.3**	**4.0**	**4.0**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**										
B. Taxonomy-non-eligible activities																			
OpEx of taxonomy-non-eligible activities		**124.6**	**96.0**																
Total		**129.9**	**100.0**																

* Rounded 0.0
Y Yes, taxonomy-eligible and, in relation to the relevant environmental objective, taxonomy-aligned activity
N No, taxonomy-eligible but, in relation to the relevant environmental objective, not taxonomy-aligned activity
N/EL Non-eligible, taxonomy-non-eligible activity in relation to the relevant environmental objective
EL Eligible, taxonomy-eligible activity in relation to the relevant environmental objective

Pollution

Pollution-related policies

Across all KSB locations, the company uses an ISO 14001-compliant environmental management system to identify, assess and track health, safety and environment (HSE)-related aspects associated with its manufactured products, activities and/or services. In the context of pollution, this system supports:

- Goal setting, definition and implementation of actions as well as their continuous improvement
- Ensuring water quality and reducing water consumption
- Ensuring air quality
- Responsible handling of substances that are hazardous for people and the environment

An internal documented procedure is used to identify and assess HSE aspects associated with the products, activities and/or services of the KSB locations. Under this procedure, the respective management is responsible for the identification and evaluation in cooperation with KSB Integrated Management.

In addition to the requirements resulting from the ISO 14001-compliant environmental management system, these aspects are also covered in a code of conduct drawn up by KSB.

Directive: Code of Conduct
Key contents, general objectives and relation to material impacts, risks and opportunities: The Code of Conduct describes the defining principles of law and business policy on which KSB bases not only relations with its customers, suppliers and business partners but also its internal collaboration. The Code of Conduct covers the following topics: Employee interaction; acting as a role model; communication and transparency; management of business; business relationships; conflicts of interest; inside information; confidentiality; corporate social responsibility; competition and cartel / anti-trust law; foreign trade and export control; tax law; the environment, energy and climate change mitigation; dealing with conflict minerals; occupational health and safety; remuneration and working hours; respect for human rights; product safety and quality; data privacy and protection; IT security
Process for monitoring: Monitoring is the responsibility of the respective manager and the Compliance Organisation headed by the Group Compliance Officer. In this role, the Group Compliance Officer reports directly to the CEO but is not subject to instructions.
Scope of application and value chain: The Code of Conduct is compulsory for all employees at all levels. It covers all organisational units and Group companies where KSB SE & Co. KGaA directly or indirectly holds an interest of more than 50 %. If the interest held is lower, KSB encourages the relevant company to adhere to similar standards. Suppliers are required to comply with the principles of this Code of Conduct or an equivalent code. This compliance is a prerequisite for the business relationship and placement of orders.
Responsible organisational level: The Human Rights Officer and Group Compliance Officer are responsible at an organisational level. Both report directly to the CEO, but are not subject to instruction. Each KSB employee is individually responsible for observing the Code of Conduct in their area. Each line manager is responsible for ensuring that the content of the Code of Conduct is known to and observed by their respective employees. The Group Compliance Officer provides support with this.

Do the company's policies address the substitution and minimisation of the use of substances of concern, and phasing out substances of very high concern, in particular for non-essential societal use and in consumer products?	☒ YES	☐ NO

The KSB Code of Conduct requires the proper disposal and responsible handling of substances that are hazardous for people and the environment and applies to the company's own business activities as well as the upstream and downstream value chain.

There is currently no dedicated policy on the handling of PFAS components. KSB aims to develop this in the medium term based on potential future PFAS-related regulations and bans.

A project study has been conducted for KSB products and purchased components (upstream value chain) to evaluate the impact of such future changes on the availability and quality of KSB products. PFAS chemicals are a large group of substances, some of which are already on the list of substances of very high concern (SVHC).

The internal KSB study found that a complete ban on all 7,000-10,000 PFAS substances (-CF2, -CF3) could affect up to 40 % of KSB products sold worldwide. In the absence of suitable alternative substances or processes, this would significantly impact the availability and available variants of KSB pumps and valves.

Since the ban on PFAS materials was proposed, therefore, KSB has been conducting internal research and initial consultations with suppliers of affected components to analyse possible alternatives. No suitable alternatives have yet been identified that match the properties of PFAS components and their universal applicability or that meet the various application requirements (high temperatures, high pressures, high chemical resistance, for example).

With regard to research and development activities aimed at replacing PFAS materials, KSB is dependent on the results of the upstream supply chain and expects innovations in the medium term.

Due to the current shortage of alternative materials and the complexity and number of components affected, the transition can only be anticipated over the medium- to long-term time horizon.

Actions and resources related to pollution

Actions	In the medium term, KSB aims to improve its understanding of the scale and scope of the PFAS substances and components used. In the long term, the company wants to implement specific actions to replace PFAS components as soon as suitable alternative materials are available (KSB is dependent on the upstream supply chain in this regard).
Expected results	• Detailed overviews of the specific material components and substances used. • A better understanding of potential risks and dependencies. • A reduction in dependencies and potential regulatory risks.
Contribution to the achievement of the targets	KSB has not yet defined a specific PFAS-related target.
Scope	PFAS-related actions affect up to 40 % of KSB products sold globally.
Time horizons	The action to be taken will be set out in detail in the next reporting year and implemented by 2030.
Key actions to remedy the situation	• The implementation of a material compliance tool, for example, to simplify and support the identification of substances used to enable KSB to react faster and more efficiently to the complex and changing requirements in all supplier countries. • The long-term replacement of product materials containing hazardous PFAS.
Progress	-

Targets related to pollution

KSB does not currently have a specific PFAS-related target as the pollution risk is associated with upstream and downstream manufacturing and recycling processes on which KSB has a limited influence.

Due to a lack of alternative materials, KSB currently has no options for replacing PFAS materials and components.

The company remains abreast of the regulations and will define appropriate, measurable targets as necessary depending on the situation.

Substances of concern and substances of very high concern

Not yet relevant as KSB makes use of the transitional provision in accordance with ESRS 1 Paragraphs 132 and 133.

Anticipated financial effects from pollution-related risks and opportunities

According to ESRS 1 Appendix C, disclosures are not required on this subject in the first year of reporting.

Water and Marine Resources

Policies related to water and marine resources

No specific policy yet exists in connection with impacts in the upstream value chain and water consumption in the upstream value chain in particular.

This is because KSB does not currently have a sufficient data or information basis for transparent implementation. In the next step, KSB aims to identify the hotspots and most relevant suppliers in the supply chain in order to develop a more transparent database.

The analysis found that some KSB sites are located in three regions with high and very high water stress. These regions have a high demand for water resources relative to availability and additional challenges such as climatic changes and infrastructural deficits.

KSB does not currently have a specific policy for dealing with these issues at the relevant locations. This is because KSB is currently in the phase of a comprehensive assessment to better understand the specific local conditions and potential solutions.

KSB recognises the importance of effective water management and is working to develop a policy that balances the needs of its own sites with local water conditions. The aim is to adopt and implement a suitable policy in the medium term.

KSB does not currently have any policies or practices related to sustainable oceans and seas.

Actions and resources related to water and marine resources

In the reporting year, KSB continued to work on improving the global LCA (Life Cycle Assessment) methodology to be applied in the future for all KSB products. This will enable the accurate recording of water consumption in the upstream value chain and its allocation to specific products and is to be completed in the medium term.

The LCA approach described can be allocated to the “avoid the use of water and marine resources” layer of the mitigation hierarchy.

For sites in areas of high water stress, KSB has specified the following specific actions:

Action	• Implementation of water storage and recovery technologies • Zero liquid discharge (ZLD) infrastructure at the Vambori and Coimbatore sites (India)
Expected results	Reduction in water withdrawal from groundwater in areas with high water stress and less dependence on fresh water. Waste water treatment so as not to release any liquids from the industrial process into the environment.
Contribution to the achievement of the targets	No specific water-related targets have yet been defined.
Scope	These actions are already being implemented by KSB in France, South Africa and India. The necessary funds are available to the KSB Regions as part of regular investment planning.
Time horizons	The actions are planned for the medium term.
Key actions to remedy the situation	-
Progress	-

Targets related to water and marine resources

Due to the still insufficient basis, KSB does not have a specific target associated with water consumption in the upstream value chain.

A target can only be set when there is a sufficient basis.

To date, targets have not be used to track actions in this regard and no current status has been determined.

KSB has not yet defined a target for its own water consumption due to the low impact of its activities in this regard at all sites.

Anticipated financial effects from material water and marine resources-related risks and opportunities

According to ESRS 1 Appendix C, disclosures are not required on this subject in the first year of reporting.

Social Information

Company's Own Workforce

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

Permanent employees, temporary employees, self-employed persons and employees of external companies work at the company's locations.

The material impacts, risks and opportunities were identified in consideration of the interests of employees at all consolidated companies and their locations.

The disclosed impacts apply equally to permanent employees, self-employed persons and temporary workers.

Negative impacts

KSB workers may experience negative impacts in connection with health and safety. This applies in particular, but not exclusively to employees in the production processes in connection with working with heavy materials / parts / machinery, for example, and in foundries (heat / electricity). Such potential negative impacts are typical for the mechanical engineering sector.

Women are under-represented in the total workforce of KSB. This is still typical in many technical disciplines such as mechanical engineering. The lower attractiveness of STEM (science, technology, engineering and mathematics) professions for women results in a smaller pool of highly qualified specialists.

The still low proportion of women in management positions overall has been identified as an important field of action for KSB. The under-representation of women in leadership positions can lead to insufficient attention being paid to women's interests and perspectives.

There were no material negative impacts related to individual incidents in the reporting period.

Positive impacts

To promote training and professional development of employees worldwide, KSB has a dedicated global training platform covering technical and non-technical fields. KSB also shares specialist knowledge with customers and other external parties.

Training is available in different formats and, depending on content, is offered to all fixed-term and permanent employees, self-employed persons working for KSB and employees of external companies. Training is either on the job or delivered in dedicated online or in-person courses designed by the Global Learning Center or external providers.

Impacts related to transition plans and human rights

The materiality assessment did not identify any risks or opportunities associated with the company's own workforce.

No impacts on the company's own workforce that may arise from transition plans for reducing negative impacts on the environment or from plans and actions to reduce carbon emissions have yet been identified.

KSB takes a clear stance against forced labour and child labour in its Code of Conduct. Forced labour is prohibited and child labour is not tolerated.

KSB has not identified any activities that represent a risk of forced labour or child labour for its own workforce.

Actions to identify impacts, risks and opportunities

It is evident from national legislation, the ISO 45001-compliant occupational health and safety management system introduced at 64 locations, and the mandatory risk and hazard assessments, that occupational safety and health hazards exist mainly in the production areas and increasingly in the foundries.

The occupational health and safety-related hazard prevention actions to combat the individual safety and health risks result from the risk assessments or risk aspects identified for each workplace.

For a better understanding of the impact on KSB of the under-representation of women in management positions and low proportion of women generally in the workforce (diversity), the company supported the establishment of an informal women's network in which women exchange ideas and information on work-related issues.

The network focuses, in particular, on potential disadvantages for women at KSB and the negative impacts associated with this. The actions and targets described below are informed by the findings of these discussions. The women's network is intended as a forum for recording all relevant information associated with the disadvantages and communicating these to Management. The women's network is also intended as a platform to promote women with ambitions for further development.

The materiality assessment did not identify any risks and opportunities.

Policies related to own workforce

The KSB employees are integral to the company's success. A safe, equitable and nurturing work environment and corporate culture are important elements of the corporate strategy. The aim is to ensure both the health and safety of employees and their professional development and satisfaction.

Basic policies related to own workforce

The KSB Code of Conduct sets out the ethical standards and requirements for all employees and business partners. Key topics include integrity, lawful conduct, avoiding conflicts of interest, protecting company resources, confidentiality, and responsibility to society and the environment. The Code serves as a guideline for ethical and responsible conduct in day-to-day business. KSB also uses the Code of Conduct as the basis for its HR policy of equal opportunities and diversity.

The aim is to create a diverse and equitable work environment without fear of harassment or discrimination. It applies to all companies within the KSB Group and is based on the International Labour Organisation (ILO) Convention No. 111 in compliance with local labour law.

Key roles include the Management, which is responsible for the equal treatment policy, Global HR, which is responsible for implementing the human resources policy, and the HR managers / business partners for promoting awareness in this area.

Directive: Code of Conduct
Key contents, general objectives and relation to material impacts, risks and opportunities: The Code of Conduct describes the defining principles of law and business policy on which KSB bases not only relations with its customers, suppliers and business partners but also its internal collaboration. The Code of Conduct covers the following topics: Employee interaction, acting as a role model, communication and transparency, management of business, business relationships, conflicts of interest, inside information, confidentiality, corporate social responsibility, competition and cartel / anti-trust law, foreign trade and export control, tax law, the environment, energy and climate change mitigation, dealing with conflict minerals, occupational health and safety, remuneration and working hours, respect for human rights, product safety and quality, data privacy and protection, IT security
Process for monitoring: Monitoring is the responsibility of the respective manager and the Compliance Organisation headed by the Group Compliance Officer. In this role, the Group Compliance Officer reports directly to the CEO but is not subject to instructions.
Scope of application and value chain: The Code of Conduct is compulsory for all employees at all levels. It covers all organisational units and Group companies where KSB SE & Co. KGaA directly or indirectly holds an interest of more than 50 %. If the interest held is lower, KSB encourages the relevant company to adhere to similar standards. Suppliers are required to comply with the principles of this Code of Conduct or an equivalent code.
Responsible organisational level: Human Rights Officer and Group Compliance Officer, reporting directly to Management (CEO) but not subject to instructions. Each KSB employee is individually responsible for observing the Code of Conduct in their area. Each line manager is responsible for ensuring that the content of the Code of Conduct is known to and observed by their respective employees. Supported by the Group Compliance Officer.
Reference to third-party standards or initiatives: UN Guiding Principles, UN Global Compact, ILO Standards, OECD Guidelines
Engagement with affected stakeholders: Not explicitly mentioned
Availability of the policy to stakeholders: Available on the Internet (KSB web site)

KSB has also set out the principles of its human resources policy in a number of directives to be applied by all the companies in the Group.

The company's Human Rights Policy Statement underlines the obligation of all business areas and companies of the Group to respect and promote human rights. It includes the principles of non-discrimination and fair working conditions, the prohibition of forced and child labour, as well as the protection of freedom of association and the right to organise and to bargain collectively. This Statement also requires the company to regularly review and improve its human rights practices.

Directive: Human Rights Policy Statement
Key contents, general objectives and relation to material impacts, risks and opportunities: In the statement, KSB underlines the importance of responsible action, guided by the UN Global Compact and supporting the 17 Sustainable Development Goals of the United Nations. Key areas of focus include occupational health and safety, work environment, compensation, corporate safety, product impacts, anti-corruption, child labour, forced labour, human trafficking, freedom of association, and the conduct of business partners.
Process for monitoring: Compliance is monitored by the Group-wide Compliance Organisation. Violations can be reported to the Group HR Organisation, to the Human Rights Officer or (anonymously) to the Ombudsperson.
Scope of application and value chain (suppliers): The directive applies to all KSB operations worldwide, as well as business relationships, including employees, business partners and local communities. Exclusions: There are no explicit exclusions, but the statement acknowledges potential conflicts with local laws and seeks ways of complying with international standards without violating local laws.
Responsible organisational level: All management levels and all employees are responsible for implementing this policy, starting with the Company Management (Managing Directors) and Human Rights Officer.
Reference to third-party standards or initiatives: The directive references the International Bill of Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.
Engagement with affected stakeholders: The directive engages with KSB's own employees, business partners, shareholders and local communities, as well as workers at suppliers and customers. It emphasises dignity, respect, non-discrimination, fair remuneration and safety.
Availability of the policy to stakeholders: The directive is available to every employee and all external parties on the KSB web site.

Policies related to gender equality, equal pay for work of equal value and gender diversity

The Equal Opportunities and Diversity Directive underlines the company's commitment to an inclusive and diverse work environment. It prohibits harassment and discrimination based on gender, race, religion, age, sexual orientation, disability or other protected characteristics. It also focuses on the promotion of equal treatment and diversity.

In addition, KSB complies with the ISO 26000 standard which provides organisations with guidance on social responsibility. It covers topics such as governance, human rights, working practices, the environment, fair operational and business practices, consumer issues and community engagement. The standard stresses the importance of integrating socially responsible behaviour into the entire organisation and its value chain.

Equal Opportunities and Diversity Directive
Key contents, general objectives and relation to material impacts, risks and opportunities: The directive provides a framework for a diverse and equitable work environment that offers equitable working conditions and is free from harassment and discrimination. KSB promotes a work environment in which all employees are treated fairly and with dignity and respect.
Monitoring process: Internal Audits
Scope of application and value chain (suppliers): Applies to all companies of the KSB Group at all locations.
Responsible organisational level: Global HR, implementation by regional HR and local management.
Reference to third-party standards or initiatives: Conventions of the International Labour Organisation (ILO), Convention No. 111 and local laws on equality, diversity and protection against harassment.
Engagement with affected stakeholders: Employees
Availability of the policy to stakeholders: Available on the Group-wide Intranet around the world.

Policies related to health and safety

KSB has implemented an ISO 45001-certified health and safety management system at 64 companies (including all production sites).

The TÜV Rheinland Group recertifies the system annually in a Group certification process based on random sampling. In compliance with ISO 45001, all certified sites have an established internal audit programme, which is managed by the local representatives.

An assessment of risks in the workplace is a mandatory part of ISO 45001 certification.

At some sites, KSB has also implemented the International Social Security Association's (ISSA) global Vision Zero strategy to reduce workplace accidents. This aims for even greater involvement of management in occupational safety to increase awareness of occupational health and safety.

Vision Zero is a transformative approach to prevention that integrates the three dimensions of health, safety and well-being in all areas of activity. It is based on the assumption that all accidents, damage and work-related illnesses are preventable. The Vision Zero strategy is flexible and can be adapted to specific needs and priorities in any given context.

The following regulation summarises basic requirements for the Group companies:

The Integrated Management System Manual includes provisions on Quality, Environmental, Occupational Health and Safety, Information Security, Business Continuity and Sustainability Management
Key contents, general objectives and relation to material impacts, risks and opportunities: The manual regulates the basic principles of quality assurance and environmental, occupational health and safety. It describes the standards to be observed and sets out how the actions are to be planned, incorporated in the local organisation, and controlled. Customer satisfaction, quality awareness, internal customer-supplier relationships, error avoidance, continuous improvement and supplier involvement are key areas of focus. Health, Safety and Environment Directive. The goal is to minimise risk and implement a continuous improvement process (CIP) to optimise processes.
Process for monitoring: Audits are planned and conducted (or commissioned) by the Head of Integrated Management.
Scope of application and value chain (suppliers): Applicable at all locations of the Group for own operations and employees and third-party companies working at KSB sites through implementation in work instructions / process descriptions that have been adapted to local conditions and laws.
Responsible organisational level: Overall responsibility lies with the KSB Board of Management. Coordination and implementation in local regulations: Head of Integrated Management. The individual topics are each delegated to locally responsible departments.
Reference to third-party standards or initiatives: Various global and local standards, including: ISO 9001, ISO 14001, ISO 45001, ISO 27001, ISO 22301, ISO 26000.
Engagement with affected stakeholders: Customer and employee interests are incorporated within action plans on the basis of regular customer surveys and constant communication with employee representatives.
Availability of the policy to stakeholders: The manual is available internally on the Group-wide Intranet.

Policies related to training and professional development

In performance management, managers are responsible for setting employee training and development goals as part of the KSB employee portfolio (potential /performance matrix). By 2025, KSB has set itself an annual target of 30 training hours per employee.

Further training and skills development are also an important focus of the annual employee Performance Evaluations with line managers. In these discussions, employees and their line manager agree on binding training goals and actions.

Directive: Performance Evaluation
Key contents, general objectives and relation to material impacts, risks and opportunities: A structured performance evaluation to determine the employee's further development in line with the corporate goals, identify areas in need of improvement, formulate actions to address these, and to promote the performance culture.
Process for monitoring: The evaluation is based on the comparison between the employee's self-assessment and their appraisal by their line manager. Implementation is monitored by Global HR using the Workday HR management platform.
Scope of application and value chain: The performance evaluation is being rolled out to all staff worldwide.
Responsible organisational level: Global HR monitors implementation by the respective line mangers.
Reference to third-party standards or initiatives: No external standards
Engagement with affected stakeholders: Employees, employee representatives
Availability of the policy to stakeholders: Available on the Intranet

KSB is committed to upholding the following standards related to human rights, including the labour rights of workers:

- 10 principles of the United Nations Global Compact (UNGC) and the 17 Sustainable Development Goals (SDGs)
- UN Guiding Principles on Business and Human Rights (UNGP)
- The UN Universal Declaration of Human Rights
- The eight fundamental conventions of the International Labour Organisation (ILO)
- The OECD Guidelines for Multinational Enterprises

This obligation is already defined in the Human Rights Policy Statement described above.

KSB established the role of Human Rights Officer to ensure and oversee compliance with the human rights policy.

The Human Rights Due Diligence within the Supply Chains and Own Business Operations Directive regulates the process for monitoring and the responsibilities at global and local level.

Directive: Human Rights Due Diligence within the Supply Chains and Own Business Operations
Key contents, general objectives and relation to material impacts, risks and opportunities: This directive sets out the company's responsibility to monitor compliance with human rights standards at global and local level in KSB's own operations and in the value chain. The directive also describes the grievance mechanism.
Process for monitoring: The Human Rights Commissioner ensures compliance with human rights standards within the KSB Group and coordinates all human rights-related activities. The site managers are responsible for monitoring activities at a local level. The value chain is monitored in central or local Procurement.
Scope of application and value chain: The directive applies to the company's own operations and the upstream value chain.
Responsible organisational level: The Human Rights Commissioner is located at the top management level below the Managing Directors.
Reference to third-party standards or initiatives: United Nations Global Compact
Engagement with affected stakeholders: Own employees, legislators, NGOs
Availability of the policy to stakeholders: Available on the Intranet

Every two years, the KSB Voice survey measures employee engagement worldwide. Results are discussed with Group Management, the managing directors of the companies and the managers.

This communication channel gives employees an opportunity to express any concerns, including on material issues such as human rights and workers' rights, anonymously. Since the survey is conducted by an independent external institute, which summarises and presents the results of the survey to Management, employees are able to express concerns (regarding human rights for example) directly and anonymously.
The most recent survey took place between 18 September and 8 October 2024.

The questions focused on the following topics:

Engagement	Cooperation and teamwork	Conduct and attitude of managers	Sustainability / CSR
Importance of work	Recognition	Employer brand	Employee well-being / care
Innovation	Management	People development	Diversity & integration
Survey follow-up			

The results from these topics were then used to calculate the following four indices:

- Engagement
- Say
- Stay
- Strive

The response rate for the entire workforce was 91 %.
The engagement score across the workforce was 77 %, a rise of 12 percentage points compared with the previous survey in 2022. Consistent improvements were also seen in the other indices (Say, Stay and Strive) compared with 2022.
The KSB Code of Conduct obliges all employees to comply with binding principles, including in the area of human rights.
The KSB Human Rights Officer – along with other local departments – is a central point of contact for questions, suggestions and complaints.
Grievances can also be reported to the external Ombudsperson at any time, anonymously if preferred.

The previously mentioned Human Rights Due Diligence within the Supply Chains and Own Business Operations Directive regulates the basic process for screening and defining actions.

Are KSB's policies with regard to its own workforce fundamentally aligned with relevant internationally recognised instruments, including the UN Guiding Principles on Business and Human Rights?	☒ YES	☐ NO

In the Human Rights Policy Statement, which can be viewed on the Group's web site, KSB states that it does not tolerate any form of forced labour or child labour, including slavery and human trafficking. This applies to all of KSB's own employees and anyone who works at KSB locations.

Does KSB have a management system in place to prevent workplace accidents?	☒ YES	☐ NO

Does KSB have specific policies aimed at the elimination of discrimination, including harassment, promoting equal opportunities and other ways to advance diversity and inclusion?	☒ YES	☐ NO

The following statements are taken from the KSB Code of Conduct, which is binding for all employees:
It is KSB's declared goal to prevent all forms of discrimination on the basis of individual characteristics such as age, race, religion, skin colour, gender, sexual orientation, disability, national origin, heritage or marital status. KSB does not tolerate discrimination, harassment or reprisals of any kind in the work environment. This also applies to KSB's interaction with people outside the company, such as job applicants, for instance.
With regard to inclusion and positive action for people from groups at particular risk of vulnerability, KSB observes the global standards mentioned above and additional locally applicable legal requirements.

The legal requirements include, for example, the establishment of a body of representatives for severely disabled employees within Germany. Comparable regulations exist in various other countries in which KSB operates.

KSB also created an Equal Opportunities and Diversity Directive which underlines the company's commitment to an inclusive and diverse work environment.

It prohibits discrimination and promotes equal opportunities in hiring, promotion, training and other aspects of employment, and aims to create a respectful and supportive work environment for all employees.

According to the Directive, a diverse, inclusive work environment relies on the following:

1. Selecting and promoting employees on the basis of performance and potential and without regard to personal characteristics.

2. Identifying and removing barriers to equal opportunities, including discriminatory selection criteria. Providing access to training, support and mentorship to create a non-discriminatory workplace.

3. Promoting cultural and gender diversity to create an inclusive environment.

4. Fostering a performance-driven culture that rewards innovation and creativity to enjoy maximum benefits from diversity.

5. Implementing practices that promote gender balance and diversity by ensuring that all policies and procedures are free of gender bias and ensuring equal treatment in recruitment, promotion, training, working conditions, cases of sexual harassment and work-life balance.

6. Training staff to raise awareness of the importance of gender balance and diversity.

All company directives are accessible to all employees on KSB's Global Intranet. New hires are given a link to these directives during the on-boarding process. Existing employees can view the directives on the Intranet and receive them by e-mail. Employees worldwide are required to implement these directives in their work on site.

Global HR is responsible for reviewing and updating the Global HR Directive Manual. After revisions and updates, the Global HR team advises the regional HR managers, who duly notify the local HR managers. The local HR managers are responsible for disseminating the directives within their organisation and implementing these in local processes.
The directives are updated whenever there is a change to the processes, procedures, relevant principles or legal provisions.

Process for engaging with own workforce and workers' representatives about impacts

The Managing Directors and Management use the following actions / communication channels to engage directly with the employees to seek feedback on various matters:

Occupational health and safety

- Meeting between company sports groups and the CEO
- KSB Idea Management
- Workshops

Equality

- KSB women's network

General

- Town hall meetings
- Global Intranet
- KSB Voice (global employee engagement survey)
- Pulse survey to continuously measure employee satisfaction
- Management uses 'KSB topics' to communicate important information to all employees (including regular updates on Group performance)
- In brief Intranet video clips entitled Let's Talk, the CEO addresses employees directly to comment on and explain current topics, important developments and decisions.
- Discussion / agreement of possible development/ training activities at the annual feedback meeting between line manager and employee.

Advancements in internal communications have continued to expand the opportunities for employee engagement worldwide.

For Intranet articles, the comment function is used to express opinions and discuss controversial topics.

General and topic-specific news feeds are available for employees to explore new topics and suggest improvements.

Employees worldwide can also interact with one another in specific topic forums. This form of informal communication makes it easier for individual employees to share their ideas and highlight potential for improvement.

(Two-way) communication is possible directly and with the bodies/employee representatives.

The formal route is via the employee representatives (in line with local regulations), HR managers (on request) and the KSB Voice employee engagement survey (every two years). Employees can also address problems with their line manager and suggest improvements in the annual feedback meeting.

The representation of employees with regard to human rights is based on country-specific co-determination legislation. In Germany, for example, the employee representatives consist of local works councils, the Group Works Council, the General Works Council and representatives for severely disabled employees, younger employees and trainees. In countries without a works council, the interests of the workforce are represented by trade union representatives or an industrial relations manager (in Pakistan and India for example). Regardless of the organisational form, employee representatives are involved in decisions on working conditions and benefits.

The nature, extent and form of involvement of the workers and workers' representatives are aligned to local requirements and practices. KSB cannot make a statement that applies to the entire Group.

The Group-wide employee engagement survey, KSB Voice, is conducted every two years. All employees within the Group are invited to respond. This survey allows employees to share their concerns anonymously. The Management analyses the survey results and comments received at various levels, and plans actions.
The CEO is responsible for strategy, human resources, communication and compliance, among other things. At a local level, these areas are also the responsibility of the individual company managing directors.

Operational responsibility for incorporating the employee views is delegated to the central or local HR managers.

Local legislation governs the regulation of all human rights aspects and consideration of worker perspectives. In Germany and other EEA countries, works agreements are used for this purpose.

Comparable agreements also exist with employee representatives, trade unions or industrial relations managers in EEA and non-EEA countries.

Every two years, the KSB Voice employee engagement survey is used to gather employee opinions and satisfaction levels. The results are discussed within the company's bodies (Supervisory Board, Administrative Board, Management) and are incorporated into KSB's strategic priorities.

The company also holds team and networking events to promote team spirit and dialogue.

Face-to-face interaction with employees is an important management tool in the company. This is facilitated by town hall meetings between the individual company managing directors and employees and round tables involving various employee groups (e.g. potential candidates and women) and KSB Management.

The company is making increasing use of digital communication channels. KSB uses the Intranet, which is available throughout the Group, to keep employees informed about current topics and enable them to share information with each other.

A global ideas management system encourages employees to suggest improvements across the board.

KSB's women's network gives female employees a platform to share their views.

All Group companies accommodate the employee representation and communication processes required by national law.

Does the company have processes for engaging with its own workforce and workers about impacts?	☒ YES	☐ NO

Process to remediate negative impacts and channels for own workforce to raise concerns

Company employees can contact the Ombudsperson to report a grievance at any time. Reported cases of misconduct are investigated by the Legal and/or Compliance department as appropriate and, depending on the nature of the problem, forwarded to Human Resources or Internal Audits. KSB also invites employees to freely and actively express any concerns in the KSB Voice employee satisfaction survey, which takes place every two years.

The above dialogue formats are procedures for identifying possible negative impacts on individual employees and initiating remedial action. The regular dialogues between employees and their line managers are particularly important for agreeing on the remedial action to be taken. Experts from HR and employee representatives (e.g. the works council, representatives for younger employees, trainees and severely disabled employees) will be consulted as necessary.

Employee representative bodies in the individual Group companies are established in accordance with local regulations. Employees can use these channels to voice their concerns. Employees also have the option of turning to central bodies. In Germany, for example, they can contact the works council, representatives for younger employees, trainees or severely disabled employees, and the complaints office as per the *Allgemeine Gleichbehandlungsgesetz* (AGG) [German General Equal Treatment Act], or the Human Rights Officer. Every employee worldwide is also able to report grievances anonymously to the independent Ombudsperson's Office.

The company sees the KSB Voice employee engagement survey as one of the most important feedback channels for employees worldwide. Since the survey is conducted by an external institute and employees can share their opinions anonymously, this communication channel is considered very reliable.

Everyone has access to this information via the Intranet. Local units are required to communicate this information to employees and to name the complaints channels. For employees without direct Intranet access, the information must be made available on a publicly accessible notice board.

Does KSB have a defined grievance management process?	☒ YES	☐ NO

The reporting system of the Compliance Organisation and the results of the employee survey, which is conducted every two years, are used to monitor problems and evaluate the efficiency of the communication channels.

KSB does not have a specific procedure for ensuring that its employees are familiar with and have confidence in the whistleblower complaints structures.
KSB protects whistleblowers, including members of the works council, in compliance with legal requirements.

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

KSB has defined the following actions and resources in connection with the identified impacts.

Action taken

Occupational health and safety

An ISO 45001-compliant occupational health and safety management system is implemented at all production sites. All risk mitigation actions are recorded by the local Environmental, Health And Safety (EHS) departments and implemented and verified in cooperation with the respective managers.

Action	Implementation of a comprehensive system to promote the physical and psychological health of employees.
Expected results	Reduction in days lost due to accidents and sick leave.
Contribution to the achievement of the targets	These actions are directly related to the target of reducing days lost due to accidents to 0.3 by 2025.
Scope	These actions are implemented in all companies with ISO 45001 certification, and adapted to local needs. The affected employees are defined in the individual risk assessments for each workplace.
Time horizons	This is a long-term action.
Key actions to remedy the situation	• Training courses and workshops on stress management and ergonomic working. • Provision of resources such as access to fitness services, healthy food options and wellness programmes. • The workplace risks covered by ISO 45001 are assessed regularly, including sources of stress. • Employee surveys and interviews to gather feedback on employee well-being. • Development of action plans to reduce identified stress factors, e.g. adaptation of workload or improvement of the work environment. • Preventive analyses to protect employee health
Progress	

Occupational health and safety standard ISO 45001 is applied at all production sites.

A regular risk assessment is conducted for each workplace in accordance with this standard and the local regulations to record existing hazards and the actions required to avoid negative impacts.

Based on the findings from the risk assessment, KSB implemented preventive actions to remediate the material impacts; for example, mechanical or electrical safety devices to prevent the incorrect operation of machinery and systems.

Action	Risk assessment
Expected results	Reduction of days lost due to work-related accidents
Contribution to the achievement of the targets	KSB assesses the workplace-related health hazards at all sites with production units.
Scope	All sites with a production unit
Time horizons	Indefinite, to be completed annually
Key actions to remedy the situation	The existing workplace-related health hazards are recorded and preventive actions defined.
Progress	

Equal treatment and opportunities for all

KSB pursues a policy of equal career opportunities (without gender bias) and a diversity policy to prevent unequal pay due to gender or other personal, non-performance-related aspects. KSB is currently focusing efforts on increasing the proportion of women in management positions. This is a big challenge, especially in the pump industry. The local management is responsible for implementing all actions related to equal treatment and opportunities under consideration of local legal frameworks. One of the key global initiatives implemented by the HR department is the international women's network.

Action	International women's network
Expected results	Increase in the proportion of women in management positions
Contribution to the achievement of the targets	KSB promotes career opportunities for women through targeted engagement, networking and mentorship activities. These actions are directly related to the target of 11 % of women in the first management level below the Managing Directors and 15 % in the second management level by 2026.
Scope	The women's network is aimed at women worldwide with career ambitions, women interested in collaborating with other departments and managers who want to support this initiative.
Time horizons	This is a long-term action.
Key actions to remedy the situation	Specific actions are not defined.
Progress	

Gender diversity

Through initiatives such as the Girl's Day in Germany, which primarily targets young women interested in apprenticeships, KSB showcases the training opportunities available at KSB for women, especially in technical fields.

Similar actions are also offered by KSB companies with production units in other countries. These actions are implemented by the local HR managers.

Action	Girl's Day
Expected results	Increase in the proportion of women in technical professions
Contribution to the achievement of the targets	KSB invites women to technical departments to inspire an interest in a technical career.
Scope	This event is currently run in Germany as a model for companies in other countries. Other countries are implementing similar actions (e.g. STEM (science, technology, engineering and mathematics) day in India).
Time horizons	Regular annual event.
Key actions to remedy the situation	
Progress	

Training and professional development
Training and development planning is a mandatory part of the annual feedback meetings between employees and their line managers.

Action	Training and development planning as part of the annual feedback meeting
Expected results	Increase in number of training hours per employee to 30 hours per year
Contribution to the achievement of the targets	Agreement on targeted training and development for the individual employee
Scope	The action is aimed at all employees worldwide, their line managers and HR managers for implementation of the training plans.
Time horizons	The training activities are agreed annually in the feedback meeting
Key actions to remedy the situation	The feedback meeting and agreed training measures are intended to fill skills gaps and help employees unleash their full potential.
Progress	

Implementation

Occupational health and safety
All risk mitigation actions are recorded by the local environmental, health and safety (EHS) offices and implemented and verified in cooperation with the respective managers. This is a requirement of ISO 45001 and is reviewed during the audits.

Equal treatment and opportunities for all
The KSB Women's Network implemented the following activities in the reporting year:

- An employee survey was conducted on how it feels to be a female employee at KSB.
- A workshop on gender equality, organised by the Allbright Foundation, was held with KSB Management.
- Several activities were carried out to mark International Women's Day at various KSB locations around the world.
- KSB has established a women's talent pool.
- The company organised various internal information-sharing and networking events featuring presentations by internal speakers on a range of topics.
- The women's network is notified in advance of all management vacancies to give all interested parties an opportunity to apply.

Gender diversity
KSB ran a number of locally and culturally adapted campaigns in the reporting year to honour and promote women. These included Women's Day and Mother's Day campaigns, for example.

These locally implemented actions are also advertised in internal communication channels throughout the Group and on external social media to inspire and motivate others.

Training and professional development
KSB offers training on diverse topics and areas of work on its global learning platform youLEARN@KSB. For various Market Areas, it has also set up academies on the platform to equip employees in the product and project areas with sufficient knowledge on products and processes. The courses offered by the Global Learning Center and the academies is available to employees worldwide.

In addition, companies around the world also have local training departments that offer the workers and employees training to meet local needs. KSB India, for example, offers a series of Workmen Training courses. KSB France also offers various technical and non-technical training courses for employees.

At Group level, new employees are offered various training courses during on-boarding to familiarise themselves with KSB-specific systems and processes and the corporate culture at KSB.

New courses and new learning formats (such as Lunch&Learn) are constantly being added to the central youLEARN@KSB training platform.

Monitoring of effectiveness

Occupational health & safety
Annual management system audits are conducted to monitor compliance with the ISO 45001 system requirements and the effectiveness of the system and to document and verify actions derived from system non-conformities. The actions are derived from the findings of the (internal and external) auditors (potential hazards in the production process, for example).

Internal audits are conducted to monitor the effectiveness of the occupational health and safety-related actions. Audits are also conducted by external parties such as TÜV Rheinland based on the ISO 45001 standard to certify the effectiveness of our management system.

Equal treatment and opportunities for all
The proportion of women in top management positions one and two levels below the Company's Management is regularly evaluated and reported to Management.

Gender diversity
The proportion of women in the company is regularly evaluated and reported to Management.

Training and professional development
KSB measures the number of training hours per employee broken down by gender with the aim of achieving an increase and a fair distribution.

Due to the great strategic importance of the above-mentioned topics, KSB has taken steps, such as regular employee surveys for example, to review these actions. The findings from the employee feedback and dialogue contribute towards the company's strategic direction. KSB firmly believes that this ensures employee satisfaction and contributes to the company's long-term resilience and competitiveness.

The Sustainability Committee also reviews the definition and implementation status of the actions for the impacts mentioned.

Potential vulnerabilities are also identified and documented during the internal and, in the case of occupational health & safety, external audits. In the event of deviations, additional necessary actions are defined.

In the double materiality assessment, KSB did not identify any financially material risks or opportunities related to the company's workforce.

To mitigate negative impacts related to occupational safety and data privacy and protection, KSB implemented the following processes:

ISO 45001-compliant occupational health and safety management system
64 KSB locations have implemented a certified occupational health and safety management system to ISO 45001. This covers over 90% of the workforce. The aim of this occupational health and safety management system is to systematically and continuously identify, assess and minimise risks to the health and safety of employees.

This helps to avoid negative impacts on the workforce and create a safe work environment.

GDPR-compliant data privacy and protection management
Data privacy and protection management at KSB is based on the European General Data Protection Regulation (GDPR) and is implemented throughout the Group.

KSB has implemented policies and procedures to ensure the protection of personal data.

The aim is to avoid negative impacts related to data use and to strengthen stakeholder trust in the company.

IT Security and Data Privacy and Protection Directive at KSB
Key contents, general objectives and relation to material impacts, risks and opportunities: The directive underscores the importance of IT security and data privacy and protection for KSB and sets out the underlying principles. It includes references to works agreements, directives and IT standards that define and describe the required actions, procedures and equipment.
Process for monitoring: Monitoring is the responsibility of the KSB Data Protection Organisation as described in the Data Protection Organisation Directive.
Scope of application and value chain (suppliers): Applies to all companies of the KSB Group at all locations.
Responsible organisational level: Member of the Management responsible for data privacy and protection, supported by the Group Data Protection Officer and Data Protection Organisation.
Reference to third-party standards or initiatives: General Data Protection Regulation (GDPR) and other legal regulations (such as the *Aktiengesetz* [German Public Companies Act] and *Handelsgesetzbuch* [German Commercial Code]).
Engagement with affected stakeholders:
Availability of the policy to stakeholders: Available on the Group-wide Intranet around the world.

Dealing with tensions between the prevention of negative impacts and other business pressures
KSB addresses possible tensions through transparent communication and by maintaining an open dialogue with stakeholders. KSB focuses on inclusive decision-making, taking into account economic, social and environmental aspects.

Resources for avoiding negative impacts and advancing positive impacts

Occupational health and safety resources are planned as part of normal budget planning based on national requirements and are organised by the local site management.

Engagement Ambassadors at the KSB companies working on behalf of the Employee Experience & Culture team organise and coordinate various employee participation and engagement formats, such as newcomer sessions for new employees, round tables with the Managing Directors, the KSB women's network, events on key topics such as diversity, mentorship programs, Create your Experience meetings on development opportunities at KSB and KSB Voice employee engagement surveys.

The Global Learning Center team organises many of the centrally run training courses and is responsible for the youLEARN@KSB platform.

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

Goal	Reduction of days lost due to work-related accidents
Relationship of the target to the policy objectives	The Directive does not mention a specific target.
Target	No more than 0.30 days lost per employee / year by 2025
Scope	All of KSB's own employees at the defined companies
Base year and base value	2019 / average of 0.28 days lost per employee / year at all locations
Target achievement period (including milestones)	2025
Data source	Annual data collection by local security officers
Stakeholder engagement	No
Change to targets and parameters	No changes
Current progress	0.33 days lost per employee / year
Assumption	Use of a pharmaceutical industry benchmark
Methodology	Days lost due to work-related accidents by number of employees

Goal	Increase in the proportion of women in management positions
Relationship of the target to the policy objectives	There is no specific policy.
Target	At least 11 % of positions at the first and 15 % of positions at the second management level below the Managing Director level to be held by women
Scope	All top management positions of the 1st and 2nd management level below the Managing Director level Group-wide
Base year and base value	First level: 8 % (2022) Second level: 12 % (2022)
Target achievement period (including milestones)	Until 31 Dec. 2026
Data source	Workday
Stakeholder engagement	No
Change to targets and parameters	No changes
Current progress	First level: 12 % Second level: 14 %
Assumption	Achievable target compared to 2022 figure
Methodology	Defined by Management

Goal	Strengthen employee training
Relationship of the target to the policy objectives	There is no specific policy.
Target	Each employee invests at least 30 hours per year in training and development.
Scope	All employees at KSB locations
Base year and base value	2022 / 17 hours per year
Target achievement period (including milestones)	2025
Data source	Global Learning Center database
Stakeholder engagement	Through the employee feedback meeting
Change to targets and parameters	No changes
Current progress	26 hours per year
Assumption	Achievable target compared to 2022 figure
Methodology	Defined by Management

The KSB Sustainability Committee, Audit Committee and external auditors monitor target achievement status and the progress of specific actions.

Employee representatives are involved in the target setting process during works council and Economic Committee meetings and monitor their progress through Human Resources.

Occupational Safety Committee: Employee representatives are involved in the target setting and tracking process. Regular meetings take place quarterly or 1-2 times a year.

Social indicators (on the company's own workforce)

All disclosures in this section are based on headcount.

All figures are based on the reporting date at the end of the year (31 Dec. 2024).

The average number of employees for the year was used to calculate employee turnover.

Characteristics of the company's own workforce

Total workforce

All of the figures below are based on headcount (rather than a full-time equivalent basis).

Gender	Number of company employees (headcount)
Female	2,942
Male	13,856
Non-binary	0
Not reported	310
Total number of employees	17,108

Number of employees in countries with at least 50 employees, representing at least 10 % of the total number of company employees:

Country		Number of company employees (headcount)
Germany	Total	5,370
	Female	986
	Male	4,360
	Non-binary	0
	Not reported	24
India	Total	2,815
	Female	218
	Male	2,564
	Non-binary	0
	Not reported	33

Contract type / number of persons	Female	Male	Non-binary	Not reported	Total
Permanent employees (number of employees with permanent contracts)	2,684	12,853	0	294	15,831
Temporary employees (number of employees with fixed-term contracts)	254	999	0	15	1,268
Non-guaranteed hours employees	4	4	0	1	9
Total	**2,942**	**13,856**	**0**	**310**	**17,108**

Total number of employees who left the company during the reporting period	1,645
Employee turnover in the reporting period	9.7 %

Reconciliation of the number of employees according to financial definition and CSRD definition:

Total number of employees as defined by the IFRS	16,407
Total number of employees as defined by the CSRD	17,108

Characteristics of non-employees of the company

According to ESRS 1 Appendix C, disclosures are not required on this subject in the first year of reporting.

Diversity indicators

Gender distribution at top management level (first level below Managing Directors)	Number	Percentage (%)
Male	29	88 %
Female	4	12 %
Non-binary	0	0 %
Not reported	0	0 %

Gender distribution at top management level (second level below Managing Directors)	Number	Percentage (%)
Male	172	86 %
Female	29	14 %
Non-binary	0	0 %
Not reported	0	0 %

Distribution of employees by age group	
Under 30	2,457
30-50	9,217
Above 50	4,780
No age disclosed	654

Training and professional development indicators

Percentage of employees who participated in regular performance and career evaluations	%
Male	80 %
Female	84 %
Non-binary	0 %
Not reported	0.5 %

Average number of training hours per employee	Number
Male	26.03
Female	25.80
Non-binary	0
Not reported	11.46
Average number of training hours per employee	25.73

Health and safety indicators

	The percentage of people in KSB's own workforce who are covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines
Own workforce	100 %
	The number of fatalities as a result of work-related injuries and work-related ill health
Own workforce	0
	The number and rate of recordable work-related accidents
Own workforce (number)	305
Company's own workforce (rate per 1,000,000 hours of work)	10,68
	Number of cases of recordable work-related ill health
Number	According to ESRS 1 Appendix C, disclosures are not required on this subject in the first year of reporting.
	Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health
days	5,580

Reporting on external workers was omitted in accordance with ESRS 1 Appendix C.

Remuneration indicators (pay gap and total remuneration)

	Gender pay gap
	12 %
	The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)
Pay ratio	14-1

Incidents, complaints and severe human rights impacts

Cases	Number
Number of complaints (discrimination, including harassment) filed through channels for people in the company's own workforce to raise concerns (including grievance mechanisms)	0
Number of complaints (discrimination, including harassment) filed to the National Contact Points for OECD Multinational Enterprises	0

Cases	Amount (€)
Total amount of fines, penalties and compensation for damages as a result of the incidents and complaints	0

Methods and assumptions as well as explanations of KPIs in relation to the company's own workforce

General methodology

Prior to data collection:
A series of discussions were held with regional and local HR managers to achieve a common understanding and approach regarding the ESRS requirements.

Data collection stage:

Q&A sessions were organised to clarify questions about the KPIs and how to interpret them.

Data validation:
To ensure accuracy and consistency, validation discussions were held at the end of the reporting year with representatives from all regions and countries to validate the data and clarify any uncertainties.

Target-related assumptions:

Days lost per employee (and year) due to work-related accidents (lost time accident rate – LTAR) & recordable work-related accidents
All work-related accidents that result in at least one day lost are recordable. This includes accidents that occur during regular working hours and in the course of work-related activities outside of regular working hours. This definition aims to ensure comprehensive and transparent reporting on employee health and safety.

Days lost per employee (and year) due to work-related accidents:
When calculating days lost per employee, the company divides the respective number of recorded days lost due to work-related accidents by the total number of employees. The number of days lost is counted such that the first full day and last day of absence is included. The calculation is based on working days.

The individual companies of the KSB Group continuously collect data on days lost due to work-related accidents. Once a year, Group Head Office runs a full data collection cycle by sending a standardised electronic query to all companies. The data returned is then combined and evaluated centrally.

Group Head Office calculates the days lost per employee based on the collected data. This key figure provides information about the average number of days lost per employee due to work-related accidents and serves as an important indicator of occupational safety within the entire KSB Group.

Number of training hours per employee
When determining the number of training hours per employee, the total working hours spent on training is calculated in relation to the total number of employees (headcount).

Hours spent on training on the youLEARN@KSB and SoSafe learning platforms are recorded automatically.

Training activities that are not documented on the above digital learning platforms are recorded centrally and evaluated by Global HR, which submits manual queries to the Group companies.

Proportion of women in management positions
To determine the proportion of women in management positions, KSB calculates the percentage of women in top management positions one and two levels below the Managing Directors of the KSB Group. This is based on the individual's hierarchical position in the Group organisational chart regardless of legal entity (company).

Assumptions on characteristics of the company's employees

Total number of employees
The number of employees refers to all employees who have an employment contract with a company included in the scope of consolidation of this non-financial report.

The total number includes:

- All salaried employees with a permanent employment contract
- All salaried employees with a fixed-term employment contract
- Temporary workers
- Employees in the working phase of partial retirement
- Employees on long-term sick leave
- Employees on maternity leave
- Apprentices / trainees
- Working students

The total number does not include:

- Temporary agency workers (persons with an employment contract with a third-party company)
- Employees on parental leave
- Employees in military service
- Employees in the release phase of partial retirement
- Employees with an inactive employment contract
- Employees on care leave
- Employees in temporary retirement
- Employees subject to a social plan
- Partially retired persons in the release phase

All disclosures concern the headcount on the balance sheet date of the consolidated financial statements.

Methodology
Employee data is extracted from the Workday Human Capital Management system and includes both permanent and temporary employees. Local HR managers, who are responsible for the Hire-to-Retire process in Workday, validate the data by phone or e-mail to ensure accuracy. The figures reflect the headcount data at the end of the reporting period. Employee turnover rates are calculated on the basis of the average number of employees in the reporting period. To ensure consistency, the employee data is compared with financial controlling data.

Assumptions
It is assumed that all employee data in Workday is up to date and has been recorded correctly by the local HR departments. Gender data is self-disclosed by the employees. Undisclosed entries are categorised separately. Employee turnover rates include both voluntary and involuntary turnover, as well as employees entering retirement in accordance with disclosure requirements. Countries with more than 50 employees representing at least 10 % of the total workforce are included in the country-specific overview.

Number of employees leaving the company / employee turnover
The number of employees leaving the company includes all resignations and dismissals, expired fixed-term contracts, termination agreements, retirements (including employees transitioning to the release phase of partial retirement) and deaths in the reporting year.

The employee turnover rate is calculated by dividing the average number of employees (headcount) with the number of leavers in the reporting year.

An employee turnover rate of 9.6 % is within the normal industry range for a mechanical engineering company (10-12 %), especially in the pumps, valves and services sectors, and can be attributed to factors such as project-related work, the skills shortage and the impact of automation. Regional differences (6-9 % in Europe and 12-20 % in Asia, for example) reflect different labour markets, economic conditions and cultural attitudes towards employment. This employee turnover rate is manageable and allows for a renewal of the workforce. However, tailored retention strategies are required, including competitive remuneration and employee development programmes, to address challenges such as talent mobility, an ageing workforce and changing skill requirements.

Reconciliation of the number of employees according to financial definition and CSRD definition
The number of employees presented for social key performance indicators (KPIs) in this non-financial report may differ from the figures presented in the KSB Group Financial Report.

This difference arises from the fact that in this non-financial report, trainees and apprentices are counted in the number of employees.

While these people are counted in the context of social reporting to reflect the total number of employees, they are not counted in the number of employees in the financial report. Another factor is the different scope of consolidation resulting from the inclusion of companies under KSB's operational control.

The two documents may therefore differ in the total number of employees reported given the different purposes and methods of the two reports.

Diversity indicators

Methodology

Data on the gender distribution at top management level and the age distribution of the total workforce is extracted from Workday and manually validated by the appropriate department. Top management positions are identified based on the internal organisational hierarchy. In accordance with the disclosure requirements, age data is broken down into <30 years, 30-50 years and >50 years.

Assumptions

Gender and birth data in Workday is assumed to be up to date and to have been entered correctly by the local HR departments or the employees themselves. Top management is classified according to the company's internal definition of senior executives. Gender data is self-disclosed by the employees. Undisclosed entries are categorised separately. The age distribution is based on the age of employees at the end of the reporting period.

Training and professional development indicators

Methodology

Data on training hours was extracted from the global learning platform YouLEARN@KSB and the SoSafe IT portal for digital training activities. In addition, data from in-person and local training courses was collected manually by HR managers in the Regions. The combined data was used to calculate the average training hours per employee by gender. Participation in performance and career development meetings was also tracked through Workday and manual data collection.

Assumptions

It is assumed that all training activities on YouLEARN@KSB and SoSafe were recorded accurately and completely. Locally reported training hours are assumed to be complete and accurate. Gender data is self-disclosed by the employees. Undisclosed entries are categorised separately. It is assumed that all employees had equal access to training opportunities and that participation in performance and career development meetings was accurately recorded.

Health and safety indicators

Methodology

The health and safety data was collected through a structured questionnaire distributed to local health, safety & environment (HSE) representatives at all locations. The questionnaire recorded coverage of the health and safety management system and the number of work-related injuries, illnesses, deaths and working days lost due to incidents. The data was categorised according to employees and external persons working at KSB company locations.

Assumptions

It is assumed that all the local HSE representatives completed the questionnaire correctly and completely. The reported data on injuries, illnesses and deaths complies with local legal reporting requirements. Where relevant, workers working at KSB sites, but who are not part of KSB's own workforce, are fully recorded. Health and safety management systems are expected to comply with legal requirements or recognised international standards, even if they are not externally certified.

Remuneration indicators

Methodology

Gender pay gap

To calculate the gender pay gap, the difference between the gross hourly pay level of all male employees and the gross hourly pay level of all female employees is expressed as a percentage of the average gross hourly pay level of all male employees. The calculation does not include employees who do not disclose their gender.

It includes the gross salaries of the employees of all consolidated companies.

The gross salary includes all fixed and variable monetary salary components, cash compensation (e.g. rent allowances, transport allowances), bonuses and special payments.

The number of hours is calculated using the average weekly working hours (multiplied by 52 weeks) plus overtime worked minus holidays and other days of absence.

For data privacy and protection reasons, it was not possible to access the salary data of employees in all consolidated companies.
To enable as accurate a statement as possible to be made about the gender pay gap across the Group as a whole, each consolidated company conducted its own gender pay gap calculation. The weighted average was then calculated using the individual values determined for the number of employees (of the individual company).

The annual total remuneration ratio of the highest-paid to the median annual total remuneration for all employees (pay ratio)

In deviation from the definition in the ESRS, the pay ratio calculation only considers direct monetary remuneration (corresponding to gross earnings in the gender pay gap calculation). It does not include any non-monetary remuneration components or as yet unrealised monetary commitments (e.g. pension entitlements).

KSB has opted to deviate from the definition in the ESRS for the pay ratio calculation as the effort involved in the monetary valuation of all non-monetary remuneration components worldwide is disproportionate to the significance of the resulting quotient.

Since the salary data of the employees in all consolidated companies could not be accessed for data privacy and protection reasons, the median was determined for each company, from which a weighted average was determined at Group level based on the number of employees (of the individual company).

The gender pay gap and pay ratio were calculated on the basis of the gross salary rate, which includes base salary, allowances and bonuses, but excludes benefits in kind. To ensure accuracy, the gross hourly wage was calculated based on actual hours worked, excluding holidays and public holidays. Local HR managers from all relevant countries collected the data from their local payroll systems under observance of applicable data privacy and protection regulations.

Assumptions

It is assumed that all local HR managers provided complete and accurate salary data. The use of actual working hours ensures a fair basis for comparison. Benefits in kind were excluded as their impact is considered minimal. Gender data is self-reported. Data on employees whose gender was not disclosed was not included in the gender pay gap calculation.

Incidents, complaints and severe human rights impacts

Methodology

Data on work-related incidents, complaints and human rights violations was collected by the Global Compliance Department and the Ombudsperson's Office and validated by the Human Rights Officer. This included reports of discrimination and harassment received through internal grievance mechanisms and external channels. The total number of incidents, complaints and related fines and compensation were summarised for disclosure.

Assumptions

It is assumed that all relevant incidents were recorded correctly. The complaint channels are accessible and data privacy and protection regulations were complied with. All sanctions and compensation for the reporting period were fully disclosed.

Workers in the Value Chain

Impacts, risks and opportunities and their interaction with strategy and business model

Due to the company's activities in the field of mechanical engineering, there is an increased risk of negative human rights impacts in the upstream supply chain, especially in mines where the raw materials for KSB products are extracted. In the double materiality assessment, KSB did identify potential negative impacts such as forced labour, child labour, unsafe working conditions, as well as potential negative impacts related to inequality of opportunity and other labour-related rights in the mines associated with its business activities. These potential negative impacts arise from the need to source raw materials from regions where human rights standards are not always consistently observed.

The human rights matters and the material impacts influence KSB's procurement strategy.

These issues are taken into account through the use of questionnaires, for example, when selecting new suppliers. For existing suppliers, high-priority queries are submitted to the main suppliers using the IntegrityNext software.

KSB has thus far not considered adjusting its business model on account of these findings.

With regard to the potential negative impact on raw material extraction workers, no material opportunities or risks have been identified for KSB's business model that would require an adjustment of the strategy or business model.

The company has not identified any current or potential material negative impacts for workers at suppliers with a direct contractual relationship with KSB or who work on KSB premises.

Workers in the upstream raw material mines (e.g. iron, gold, copper, minerals) could be affected as there is an increased potential for working conditions to fall below human rights standards.

KSB has not identified any negative current or potential impacts related to workers in the downstream value chain (in logistics or sales, for example).

KSB has not identified any current or potential material negative impacts for workers working in joint ventures and has no direct involvement with any special purpose entities.

Migrant mine workers are a group of workers in the upstream supply chain at particular risk of vulnerability.

Geographically speaking, KSB has seen evidence of potential isolated human rights violations in Asia, but no indication of a systemic problem.

KSB has not identified any widespread or systemic material negative impacts in contexts where it has business relationships. However, there may be potential negative impacts related to isolated incidents or specific business relationships.

No individual incidents were reported in the reporting year.

No material positive impacts were identified.

Overall, the assessments did not identify any material financial risks or opportunities for KSB's business model related to value chain workers.

Based on the double materiality assessment, KSB has developed an understanding of how workers in the upstream and downstream supply chain with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm.

For a sample-based assessment of the potential negative impacts, KSB also used the freely available CSR Risk Check and some analyses from the IntegrityNext software solution. These approaches will be refined further in the following years.

Overall, the assessments did not identify any material risks or opportunities from dependencies related to value chain workers.

Policies related to value chain workers

KSB is committed to complying with the principles of the United Nations' Universal Declaration of Human Rights, the European Convention on Human Rights, the core labour standards of the International Labour Organisation (ILO), the OECD Guidelines for Multinational Enterprises, and the UN Global Compact.

This is documented in KSB's Human Rights Policy Statement and is also disclosed on the KSB web site.

KSB has appointed a Human Rights Officer to monitor compliance with these principles.

They are the first point of contact for all human rights-related concerns from the authorities, politics and society and play an important role in overseeing respect for the human rights, including labour rights, of workers.

Directive: Human Rights Policy Statement
Key contents, general objectives and relation to material impacts, risks and opportunities: In addition to its internationally recognised and codified human rights, KSB has undertaken further assessments to identify potential risks in: Occupational health and safety Work environment Remuneration Company safety and security Impact of our products Anti-corruption Child labour, forced labour and human trafficking Freedom of association and collective bargaining Business partners Communities and indigenous peoples
Process for monitoring: Monitoring and transparent annual reporting Remedy and complaint mechanisms
Scope of application and value chain (suppliers): Own operations and all business partners.
Responsible organisational level: The Human Rights Officer of the KSB Group is responsible for implementing the Human Rights Policy Statement with the support of the following individuals and departments: • Head of Procurement, who oversees the overarching procurement processes and supplier selection • Category Manager and local buyers, who are responsible for overseeing compliance with human rights standards among the suppliers and in the categories • Site managers, who are responsible for monitoring activities at a local level • Sustainability Management, which is responsible for monitoring and improving compliance with sustainability and human rights standards • Risk Management, which is responsible for analysing and evaluating potential risks related to human rights violations. • This coordinated cooperation ensures the comprehensive and effective observance of human rights due diligence obligations throughout the KSB Group.
Reference to third-party standards or initiatives: Ten principles of the UN Global Compact International Bill of Human Rights International Labour Organisation Declaration on Fundamental Principles and Rights at Work OECD Guidelines for Multinational Enterprises
Engagement with affected stakeholders: Employees, customers, business partners, shareholders, municipalities
Availability of the policy to stakeholders: Published on the KSB homepage

The Human Rights Policy Statement also encompasses workers in the upstream value chain.

KSB's process documentation "Human rights due diligence within the supply chains and own business operations" also sets out the most important requirements and responsibilities associated with protecting human rights.

Process documentation "Human rights due diligence within the supply chains and own business operations"
Key contents, general objectives and relation to material impacts, risks and opportunities: The goal is to ensure that KSB only does business with partners who observe the Human Rights Statement and all applicable legal rules and regulations. The process documentation lists the topics to be covered and defines clear responsibilities.
Process for monitoring: This is currently monitored through: • Regular risk analyses regarding human rights violations in the supply chain. • Audits and supplier evaluations with a specific focus on observance of human rights standards and internationally recognised labour standards. • Supplier training and awareness programmes to ensure that suppliers understand and satisfy the requirements of the KSB Code of Conduct and human rights due diligence.
Scope of application and value chain (direct suppliers): Applicable to the KSB Group's own operations, including all companies over which KSB has operational control and all direct and indirect business partners. Although the formal Human Rights Due Diligence Report has not yet been finalised, KSB continues to develop and implement due diligence actions. These include ongoing monitoring and assessment of risks in the value chain, especially for groups at particular risk of vulnerability such as migrant mine workers. With the upcoming transposition of the Corporate Sustainability Due Diligence Directive (CSDDD) in German law, these processes will be rolled out to the full value chain and reporting will be standardised.

Responsible organisational level: The Human Rights Officer of the KSB Group is responsible for implementing Human Rights Due Diligence with the support of the following individuals and departments: Head of Procurement, who oversees the overarching procurement processes and supplier selection KSB Compliance Officer with oversight by the Ombudsperson (whistleblower channel) Category Manager and local buyers, who are responsible for overseeing compliance with human rights standards among the suppliers and in the categories Site managers, who are responsible for monitoring activities at a local level Sustainability Management, which is responsible for monitoring and improving compliance with sustainability and human rights standards Risk Management, which is responsible for analysing and evaluating potential risks related to human rights violations. This coordinated cooperation ensures the comprehensive and effective observance of human rights due diligence obligations throughout the KSB Group.
Reference to third-party standards or initiatives: United Nations Global Compact
Engagement with affected stakeholders: Reference is made to government regulations and the requirements of non-governmental organisations (NGOs).
Availability of the policy to stakeholders: It is an internal process description.

The KSB Code of Conduct defines specific rules of conduct and requirements for suppliers concerning legal compliance, human rights and non-discrimination, labour, health, safety and the environment.

Directive: Code of Conduct
Key contents, general objectives and relation to material impacts, risks and opportunities: The Code of Conduct describes the defining principles of law and business policy on which KSB bases not only relations with its customers, suppliers and business partners but also its internal collaboration. The Code of Conduct covers the following topics: Employee interaction, acting as a role model, communication and transparency, management of business, business relationships, conflicts of interest, inside information, confidentiality, corporate social responsibility, competition and cartel / anti-trust law, foreign trade and export control, tax law, the environment, energy and climate change mitigation, dealing with conflict minerals, occupational health and safety, remuneration and working hours, respect for human rights, product safety and quality, data privacy and protection, IT security
Process for monitoring: Monitoring is the responsibility of the respective manager and the Compliance Organisation headed by the Group Compliance Officer. In this role, the Group Compliance Officer reports directly to the CEO but is not subject to instructions.
Scope of application and value chain: The Code of Conduct is compulsory for all employees at all levels. It covers all organisational units and companies where KSB SE & Co. KGaA directly or indirectly holds more than 50 % of the shares. If the interest held is lower, KSB encourages the relevant company to adhere to similar standards. Suppliers are required to comply with the principles of this Code of Conduct or an equivalent code.
Responsible organisational level: Human Rights Officer and Group Compliance Officer, reporting directly to Management (CEO) but not subject to directions. Each KSB employee is individually responsible for observing the Code of Conduct in their area. Each line manager is responsible for ensuring that the content of the Code of Conduct is known to and observed by their respective employees. Supported by the Group Compliance Officer.
Reference to third-party standards or initiatives: UN Guiding Principles, UN Global Compact, ILO Standards, OECD Guidelines
Engagement with affected stakeholders: Not explicitly mentioned
Availability of the policy to stakeholders: Available on the Internet (KSB web site)

Actions

Supplier qualification

As part of the qualification process for new suppliers, suppliers are asked whether they follow a code of ethics comparable to the KSB Code of Conduct or, alternatively, whether they comply with the KSB Code of Conduct.

KSB requires its suppliers to follow these or equivalent international standards, such as the UN Global Compact or core labour standards of the ILO.

All new suppliers are required to respond to a questionnaire on the following subjects:

- Prohibition of child labour
- Prohibition of human trafficking
- Prohibition of forced labour
- Prohibition of unequal treatment
- Occupational health and safety
- Freedom of association
- Decent pay
- Protection of natural resources (soil, water, air)

KSB requires its contractors to share its commitment to meeting the social, ethical and ecological standards of society, and to honour this commitment in the manufacture of products and provision of services.
This is also communicated during the supplier qualification process and is verified with every potential supplier before a business relationship is entered into.
Supplier management plays an important role in protecting human rights and human rights due diligence.

Training for Procurement employees

KSB provides human rights training to all Procurement employees at the company to ensure that they are alert to human rights violations when liaising with suppliers.

Code of conduct for business partners

All business partners are required to observe KSB's sustainability principles and agree to comply with the KSB Code of Conduct or their own comparable regulations.

Due diligence

With the application and implementation of the *Lieferkettensorgfaltspflichtengesetz* (LkSG) [German Supply Chain Act] since 1 January 2023, respect for the human rights, including labour rights, of workers in the value chain is also subject to human rights due diligence under the LkSG, and thus included, among other things, in LkSG risk management.

Risk analyses

In the reporting year, KSB conducted an initial risk analysis of its own operations and its suppliers in accordance with the requirements of the LkSG. This did not identify any specific material human rights-related risks within the meaning of the LkSG for workers in KSB's own operations and at KSB suppliers. If value chain workers feel that their rights have been impacted, the LkSG complaints procedure, which can be accessed via the KSB web site, can be used to submit reports.

In the Human Rights Policy Statement, which can be viewed on the Group's web site, KSB states that it does not tolerate any form of forced labour or child labour, including slavery and human trafficking. This also applies to workers in the value chain.

The Code of Conduct, which is communicated to every potential supplier during the qualification process, covers the following (list not exhaustive):

- Occupational health and safety
- Remuneration and working hours
- Respect for human rights
- Prohibition of child labour
- Prohibition of forced labour
- Freedom of association and collective bargaining

As part of the qualification process, the potential supplier is required to confirm that it meets all the applicable standards in respect of:

- Prohibition of child labour
- Prohibition of human trafficking
- Prohibition of forced labour
- Prohibition of unequal treatment
- Occupational health and safety
- Freedom of association
- Decent pay
- Protection of natural resources

The KSB directives listed ensure the company's observance of the United Nations' Universal Declaration of Human Rights, the European Convention on Human Rights, the core labour standards of the International Labour Organisation (ILO), the OECD Guidelines for Multinational Enterprises, and the UN Global Compact.

During the reporting period, there were no reported violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

Process for engaging with value chain workers about impacts

All workers in the value chain or their representatives can use the KSB whistleblower system described below to report actual or potential impacts. This includes legitimate representatives and credible proxies.

Around 400 operational procurement and quality assurance employees received human rights awareness training. For a direct insight into working conditions on site, procurement employees visited the production facilities of KSB's main suppliers.

Before entering into a business relationship with a new supplier, KSB engages with value chain workers indirectly by asking the supplier to complete a survey on human rights aspects. Completing and returning the questionnaire is mandatory for admission as a supplier. Questions about human rights are an integral part of the supplier qualification process.
Value chain workers are also taken into account in the risk analyses and accompanying actions.

Procurement is centralised within the Group. The function and the most senior role at KSB that has operational responsibility for ensuring this engagement happens, and that the results inform the company's approach is the Head of Procurement.

Process to remediate negative impacts and channels for value chain workers to raise concerns

A system for implementing remedial actions was introduced as part of the activities associated with the *Lieferkettensorgfaltspflichtengesetz* (LkSG) [German Supply Chain Act].

Information about the LkSG-compliant process is provided on the KSB web site. Workers in the value chain who feel their rights have been impacted are also able to use this channel to report any concerns.

After an initial evaluation by the complaints office (Ombudsperson), all complaints will be forwarded to selected employees.

Depending on the nature of the complaint, different KSB departments, such as the Legal department, HR, Plant Security or Corporate Audit, may be involved in the investigation (investigation team).

Once an investigation is concluded, the reporting person will be notified of the outcome, unless the report was submitted anonymously. If KSB's response is unsatisfactory, contact can be made again at any time.

KSB has set up specific channels through which value chain workers can raise their concerns or needs with the company directly and have these addressed. Value chain workers can also use the whistleblower system to report grievances anonymously.

The whistleblower system is organised by an independent, external law firm, which acts as an Ombudsperson and is also available to employees in the value chain.

In addition, individuals or groups, including stakeholders such as trade unions or NGOs, can address their concerns directly to the KSB Group's Human Rights Officer or by completing a contact form on the KSB web site.

To ensure that these channels are available and accessible to value chain workers in their places of work, suppliers are informed of the reporting channels through the Code of Conduct, which they are provided with at the beginning of each business relationship. This Code of Conduct contains the contact details of the Ombudsperson and explains how to make contact.

This information is also publicly accessible on the KSB web site.

The processes described are intended to ensure that all information that reaches KSB is forwarded directly to and reviewed by the departments responsible.
Stakeholder engagement is possible if the persons affected disclose their contact details and wish to be contacted.

Suppliers are informed directly about the whistleblower system (Ombudsperson), the relevant process and contact options while the public is informed via the KSB web site. The Ombudsperson will pass on the information in anonymised form by request and is not authorised to disclose the identity of individuals. KSB does not verify that all workers in the value chain are aware of the system.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Training for Procurement employees

Supplier-facing procurement employees worldwide are given human rights training to ensure that they are alert to and can actively address human rights issues when liaising with suppliers.

Supplier qualification

Ensuring compliance with human rights standards is part of the qualification process for every supplier. It is part of the ongoing due diligence process and are therefore not limited in time or scheduled.

Expanding the application of external sustainability platforms

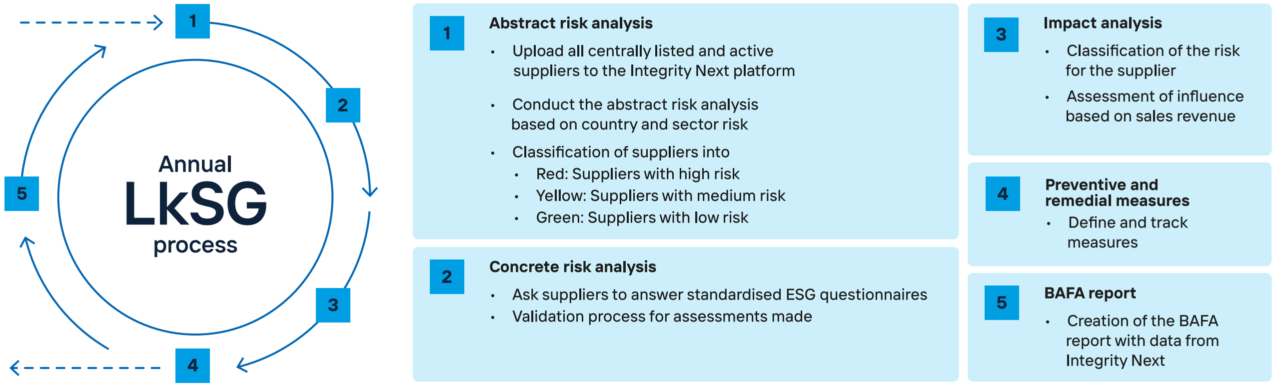
An external sustainability platform (IntegrityNext) is used to assess the ESG impacts of (potential) suppliers.

Action	A set of actions related to negative impacts on value chain workers.
Expected results	• A better understanding of ESG matters among procurement employees. • A better understanding of potential negative impacts and dependencies. • Greater cooperation with suppliers on ESG matters. • Completion of a mandatory ESG assessment by the biggest 200 suppliers with potential negative impacts. • Audit of all qualified suppliers.
Contribution to the achievement of the targets	KSB ensures greater supplier awareness of ESG matters.
Scope	All supplier-facing employees from procurement departments worldwide. All suppliers worldwide.
Time horizons	The action to be taken will be set out in detail in the next reporting year and implemented by 2030.
Key actions to remedy the situation	• Training of employees in procurement departments worldwide. • Change to the supplier qualification process for new suppliers. • Screening of all suppliers using Integrity Next.
Progress	By the end of 2024, 323 procurement employees had completed the training. All suppliers newly qualified in 2024 were audited and found to be compliant. The IntegrityNext tool was introduced in the reporting year and an initial examination of potential negative impacts was completed for all suppliers worldwide.

To determine the necessity of actions for existing suppliers, KSB uses the existing due diligence process in accordance with the *Lieferkettensorgfaltspflichten-gesetz* [German Supply Chain Act], which is illustrated in the following figure.

LkSG

Annual target process: German Act on Corporate Due Diligence Obligations in Supply Chains



If evidence emerges during the supplier qualification process or a subsequent audit that a supplier's human rights standards do not meet KSB's minimum standards, or there is concrete evidence of violations, the purchasing organisation will implement and follow up targeted actions to improve the situation.
Only if these actions fail to achieve the desired outcome will the decision be made, as a final resort, to terminate the business relationship.

The standard procedure in such a case is as follows:

Possible actions and procedure

	Steps	Action	Evaluation and decision
	A	Follow-up after the 1st upfront risk assessment (e.g. to check that questions have been understood correctly)	Stay and improve
or	B	In-depth assessment (asking detailed questions, addressing issues during visits, QA audit)	
	C	Offer training (the same training that KSB buyers attend)	
	D	Look into a strategic cooperation, with other customers, for example	
	E	Look into cooperation within the wider industry to create pressure for change (e.g. an industry whitelist)	
	F	Cooperation / monitoring with local NGOs	
	G	Final = substitution (no cooperation)	Cut and leave

KSB did not identify any material risks and opportunities related to value chain workers.

Nevertheless, screens and evaluates suppliers as part of its ongoing risk management process to identify potential risks at an early stage and take preventive actions.

Although KSB did not identify any specific opportunities related to value chain workers, it plans to further strengthen its engagement with strategic suppliers.

KSB requires its suppliers to observe the KSB Code of Conduct or their own comparable regulations as part of the supplier qualification and due diligence process in accordance with defined standards.

No specific cases of human rights violations were reported in the reporting year within the upstream or downstream value chain.

The company provides resources to manage material impacts on value chain workers. One such resource is the Human Rights Officer, who is responsible for overseeing human rights-related matters at KSB. In addition, global and regional procurement are incorporated in a matrix organisation to ensure that human rights standards and due diligence are taken into account in all procurement processes worldwide. This structure allows for the effective management of material impacts through the cross-functional coordination of expertise and responsibilities.

With regard to financial resources, there are currently licence costs associated with the IntegrityNext software.

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

KSB has currently not defined any specific targets as required by the ESRS as the potential negative impacts identified in the value chain are far upstream and KSB has limited influence in this regard.

Respecting human rights is a core element of corporate social responsibility, however. KSB recognises the obligations this entails throughout the company and value chain.

Social Commitment

KSB seeks to make an active contribution to society through its commitment to social initiatives. This includes financial contributions to organisations engaged in social projects. Through this commitment, KSB seeks to contribute to the development of the common good.

KSB supports social projects and initiatives worldwide, even though such support is not material for its business.

KSB's binding Donation Directive sets out for which purposes and under which conditions the company may make financial or material commitments. In this context, the focus is on supporting organisations, projects and measures dedicated to the education, social support and protection of children and young people. The company is also committed to helping the disadvantaged. In the event of disasters it provides assistance to both people and organisations. KSB also supports organisations and projects that promote local sports and those that engage in sustainability and environmental protection.

The company's social engagement sees KSB making a contribution towards achieving the United Nations' 17 Sustainable Development Goals.

Information on Corporate Governance

Policies for corporate governance and corporate culture

In addition to high-quality products and services, professional and honest behaviour is expected in the global competitive environment, including compliance with legal regulations and ethical standards. This is particularly important to avoid damaging trust in the company and the KSB brand.

Improper behaviour by even one person can damage the company's reputation for a long time. A shared, Group-wide understanding of professional and ethical business conduct is therefore essential. These rules and guidelines are set out in the KSB Code of Conduct.

The Code of Conduct offers guidance and sets out the standards of conduct KSB espouses.

Managers and employees at all levels of the KSB Group are expected to adhere to the core KSB values of trust, honesty, responsibility, professionalism and appreciation. These values underpin all official guidelines in place at the company, including the KSB Code of Conduct

As a member of the UN Global Compact, KSB commits to aligning its business activities with ten universal principles. The Global Compact principles apply equally to managers and employees throughout the company as well as to all suppliers and business partners.

The KSB Code of Conduct, guidelines, directives and procedure manuals are binding for all locations and companies within the Group.

The subjects addressed in the Code of Conduct, such as anti-corruption, cartel / anti-trust law, international trade and export control, tax law, environmental protection, occupational health and safety, quality assurance, data privacy and protection and IT security, are defined in more detail in directives issued by the respective departments, which provide additional rules of conduct for employees.

The Group Compliance Office is responsible for the following compliance-related corporate directives:

- Code of Conduct
- Directive on Compliance with Cartel / Anti-trust Law
- Directive on the Prevention of Corruption
- Directive on Business Partner Risk Analysis
- Insider Directive
- Directive on Transactions with Related Parties

Assessment of risks

KSB considers the typical risks involved for an internationally operating mechanical engineering company as the primary reason for implementing corresponding actions. These include anti-corruption and cartel / anti-trust law as principal risks. Furthermore, compliance risk assessments are conducted from time to time for specific business areas worldwide, which, if necessary, are taken into consideration in the Compliance Management System.

Compliance monitoring

For monitoring purposes, the heads of departments responsible for delegated compliance sub-areas are asked to provide an annual status update and risk assessment. The responses are analysed by the Group Compliance Office which, in consultation with Management, selects one or more specialist departments to be subjected to an external audit with a focus on specific compliance sub-areas.

The most important material on the subject of compliance is included in a manual:

Directive: Compliance Manual
Key contents, general objectives and relation to material impacts, risks and opportunities: The Compliance Manual lists all compliance-related topics, describes the structure and working methods of the Compliance Organisation, and sets out related responsibilities. It also defines the reporting obligations and responsibilities.
Process for monitoring: Monitoring is the responsibility of the Compliance Organisation under the direction of the Group Compliance Officer. The manual refers to other corporate directives that also define monitoring processes for the individual compliance sub-areas.
Scope of application and value chain (suppliers): The Compliance Manual contains binding requirements for all KSB Group employees and governs dealings with business partners in the value chain.
Responsible organisational level: The CEO is responsible for compliance issues with the support of the Compliance Organisation under the direction of the Group Compliance Officer. The Group's legal department acts as the Group Compliance Office. It is headed by the GCO (Group Compliance Officer).
Reference to third-party standards or initiatives: None
Availability of the policy to stakeholders: No (available on Intranet for internal use only)

KSB defines compliance as the sum of all actions taken to ensure that the day-to-day behaviour of a company, its corporate bodies and employees conforms to applicable rules and laws. The basis is the KSB Code of Conduct. This describes the defining principles of law and business policy on which KSB bases not only relations with customers, suppliers and business partners but also its internal collaboration.

As an internationally operating Group, KSB recognises the necessity of a Compliance Management System to ensure compliance with legal provisions and internal regulations and safeguard the company's long-term economic success. Moreover, business partners increasingly require evidence of a functioning Compliance Management System.

The Compliance Management System consists of a well-defined, global Compliance Organisation, clear requirements and guidelines, including a Compliance Manual, directives on specific topics such as cartel / anti-trust law and anti-corruption, systematic training (every three years) for employees in sensitive areas, including follow-up, and a defined procedure, including reporting, in the event of a breach of compliance.

The KSB Group does not tolerate any breach of compliance committed by its employees (zero-tolerance policy). The possible consequences depend on the severity of the breach and range from a simple warning up to a termination of the employment with immediate effect. Third parties may also be called in (law enforcement agencies for example).

Every KSB employee must notify the Local Compliance Officer responsible for their company, the Group Compliance Office, the Ombudsperson, or their line manager of any breach of compliance they become aware of. Notifications may also be made anonymously.

The method of notification is left to the employee. If the LCO is not directly notified, all information is to be passed on to him/her.

Information on breaches of compliance is investigated in a three-phase procedure.

Phase 1 – Validation:
All submitted information is first validated by the LCO since they are familiar with the local circumstances and processes.

The validation includes an initial analysis of the contents as well as an (initial) evaluation of the plausibility of the information and, insofar as possible on the basis of the information, an assessment of the whistleblower's motive.

The Group Compliance Office verifies the results of the validation performed by the LCO. In the event of any deviating result, the decision on the further approach is at the discretion of the Group Compliance Office and the Internal Audits department, if necessary, by involving further internal resources (e.g. the Compliance Committee). Invalid information will not be pursued. The whistleblower, if known, must be notified. If the information is valid, the procedure is continued with Phase 2. The validation must be documented in a comprehensible manner.

Phase 2 – Intermediate procedure:
Together with Internal Audits, the information is examined in the framework of a preliminary investigation as to whether it contains sufficient concrete indications of a breach of compliance such that it is necessary to further investigate the information and/or the underlying facts and circumstances. This investigation can be made by involving all internal resources (e.g. local management, responsible LCO).

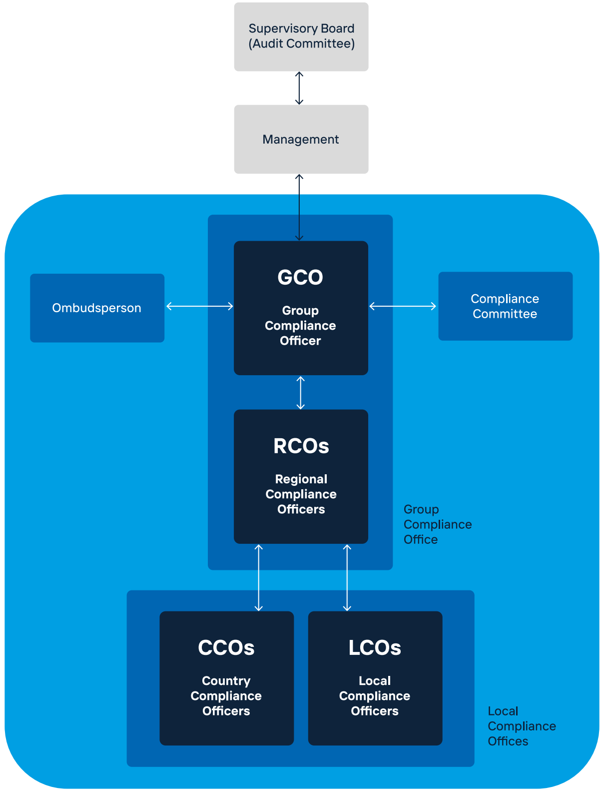
If no sufficient concrete indications for a breach of compliance are revealed, the investigations are not continued and the whistleblower is notified, if possible.

Phase 3 – Investigations conducted by Internal Audits or suitable third parties:
If there is sufficient evidence of a breach of compliance, Internal Audits or a suitable third party (e.g. auditing company) will take over the investigation in coordination with the Group Compliance Office, and by involving the Compliance Organisation, if necessary.

Does the company have policies on anti-corruption or anti-bribery consistent with the United Nations Convention against Corruption?	☒ YES	☐ NO

KSB ensures that whistleblowers in the Group do not experience any disadvantages as a result of their report. For example, internal whistleblowers can always contact their Local Compliance Officer or the Group Compliance Office directly, regardless of the operational hierarchy.

Structure of the Compliance Organisation



The Ombudsperson is a key component of an effective Compliance Organisation.

The Ombudsperson is an external contact to whom any information on breaches of compliance can be reported. The Ombudsperson represents an additional option (besides communicating directly with the GCO, the CCO / LCO or one's line manager) for a whistleblower to report a relevant issue, especially for anonymous reports. The contact details of the Ombudsperson are listed in the Compliance Manual and the Code of Conduct.

External third parties can find the Ombudsperson contact details on the KSB web site under Compliance.

A whistleblower (e.g. employee, customer, supplier, private person) can report non-compliant conduct to the Ombudsperson. Contact can be made from any country, either in German or English, and both by telephone and in writing. The Group Compliance Office receives a written summary of the notification from the Ombudsperson.

If the whistleblower has requested confidentiality / anonymity, their contact data will not be disclosed to the Group Compliance Office.

This is also documented in the "Rules of Procedure for the Complaints Procedure pursuant to Section 8 *Lieferkettensorgfaltspflichtengesetz* (LkSG) [German Supply Chain Act]", which is available on the KSB web site.

The Group Compliance Office reviews reported breaches in a multi-step process in accordance with the specifications of Directive (EU) 2019/1937.

Does KSB have policies on the protection of whistleblowers?	☒ YES	☐ NO
Does KSB have procedures to investigate business conduct incidents, including incidents of corruption and bribery, promptly, independently and objectively?	☒ YES	☐ NO
Does KSB have policies on animal protection?	☐ YES	☒ NO

KSB does not consider animal protection material because the company's activities do not involve material animal-related impacts, risks or opportunities.

For KSB, it is important not only to encourage employee compliance, but also to ensure that the employees have sufficient knowledge to observe all applicable rules and laws.

Every six months, the Local Compliance Officers invite all relevant new employees and employees transferring to a compliance-sensitive area to sign up for training on corruption and cartel / anti-trust law via their line managers. The training is managed via KSB's youLEARN@KSB training platform. Every three years, the relevant employees are prompted to complete refresher training. The training is generally provided as an e-learning course and has the objective of explaining material compliance-related issues and increasing employee awareness of compliance.

Corruption training focuses on the following topics:

- What is compliance? / What is corruption?
- Corruption in international business
- Legal basis and consequences
- What to bear in mind when contacting public officials
- Contact with service providers
- Contact

The fair competition training focuses on the following topics:

- Overview of cartel / anti-trust law
- Legal basis and consequences
- Agreements between competitors not to compete
- Agreements between suppliers and customers
- Abuse of market position
- Contact

Employees are educated on their compliance obligations.

Fictitious case studies are used for illustration purposes. The employees must successfully complete a series of test questions to receive their training completion certification.

Human Resources is responsible for conducting the training courses. After notification of availability, the courses must be completed successfully before a specific deadline. A reminder process is implemented. Employees who repeatedly decline to take a course risk a warning or notice of dismissal.

Relevant persons will be notified of any material and relevant changes in legislation on an ad-hoc basis.

Does KSB have policies for compliance training within the organisation?	☒ YES	☐ NO

The group of employees offered this training by KSB goes beyond the functions most at risk in respect of corruption and bribery. As part of its training programme, KSB offers compliance training to relevant employees every three years.

Relevant employees are as follows:

- Members of Management and top-level managers
- All managers of all management levels with a sales or procurement function
- All employees having regular contact with suppliers, customers or other external third parties, and (cumulatively) all such employees involved in decision-making preparations and/or who are decision-makers

If there is any uncertainty as to whether individual employees meet the selection criteria, they must, on principle, be registered for training.

Does KSB's whistleblowing policy (including Ombudsperson system) comply with Directive (EU) 2019/1937 (Whistleblower Directive)?	☒ YES	☐ NO

Prevention and detection of corruption and bribery

Regular training of all relevant employees worldwide on such topics as corruption and cartel / anti-trust law helps to maintain employee awareness of these topics. The Local Compliance Officer (LCO) is responsible for registering the relevant employees. All training courses worldwide are offered via the central training platform youLEARN@KSB and must be completed within a specific period. Only after successfully answering a series of test questions will the employees receive a training completion certificate.

Action	Anti-corruption compliance training
Expected results	All employees in compliance-sensitive functions are aware of anti-corruption practices
Contribution to the achievement of the targets	All employees in compliance-sensitive functions are informed of the most important aspects relating to corruption in e-learning courses. (Fictitious) Case studies are used for illustration purposes. At the end of the training, participants must pass a test.
Scope	All employees in compliance-sensitive functions worldwide.
Time horizons	Indefinite, regular (every 3 years)
Key actions to remedy the situation	Detailed explanation of the subject of corruption. Presentation of prohibitions and obligations. Questions at the end to test course participants' knowledge.
Progress	1,541 employees completed the training in the 2024 reporting year. By the end of 2024, therefore, 94 % of employees in compliance-sensitive functions had participated in the training within the specified period.

To ensure compliance with anti-corruption and anti-bribery legislation in particular, the Compliance Organisation ensures that all reported potential breaches are investigated, regardless of the operational hierarchy.

Individuals and institutions within and outside the company can report suspected breaches anonymously via an independent communication channel: the Ombudsperson.

Reports of suspected breaches must be dealt with in accordance with documented procedures and are overseen by monitoring authorities that are independent of the operational hierarchy.

The Group Compliance Officer (GCO) informs the Compliance Committee within a reasonable period of time about all reported breaches they consider to be important. The Compliance Committee must always be notified when the foreseeable or already incurred loss exceeds € 10,000.

Joining the Group Compliance Officer on the Compliance Committee are the heads of the following corporate functions:

- Controlling
- Legal & Compliance
- Procurement
- Internal Audits
- Finance
- Sales & Marketing
- Human Resources

The Compliance Committee decides on the basis of the significance of the breach whether and when Management is to be informed thereof. Management must always be notified when the foreseeable or already incurred loss exceeds € 50,000.

The Group Compliance Officer discusses compliance processes and matters with the Audit Committee of the Supervisory Board every six months.

On 16 December 2024, the Group Compliance Officer gave a presentation on compliance processes and matters to the Administrative Board.

The general partner, acting through its Managing Directors, and the Supervisory Board reported on the Company's corporate governance as part of the Corporate Governance Statement pursuant to Sections 289f (2 and 3) and 315d HGB.

Does the company have written procedures for dealing with reports of corruption and bribery?	☒ YES	☐ NO

The Compliance Organisation is responsible for raising awareness of compliance issues among employees with a compliance-sensitive function and for delivering relevant compliance training to these employees through the regular e-learning courses (which must be completed every 3 years), amongst other things.

The procedure is described in the Compliance Manual which is available to all employees on the Global Intranet.

KSB expects its suppliers to comply with the principles of the KSB Code of Conduct or to follow equivalent practices.

The KSB Code of Conduct, Rules of Procedure for the Complaints Procedure, and the contact details of the Ombudsperson are available to external third parties on the Group web site.

Regular e-learning courses for relevant employees (to be completed every three years) address fundamental anti-corruption legislation-related issues, including recommendations and practical guidance for implementation (case studies and tasks).

Participation in the training is mandatory for 100 % of employees in relevant functions. Every six months, the Local Compliance Officers invite all relevant new employees and employees moving to a new role to sign up to the training via their line managers.
As relevant employees, the Managing Directors are also required to attend regular training (every 3 years).

During the reporting period, the Group Compliance Officer kept the Supervisory Board and Administrative Board informed of compliance matters.

Cases of corruption or bribery

In the reporting year, there were no convictions or fines for violation of anti-corruption and anti-bribery laws at KSB.

Methods and assumptions for corporate governance-related KPIs

Cases of corruption or bribery

All compliance violations (including violations of anti-corruption and anti-bribery laws) are reported to the Local Compliance Officers. Cases of corruption or bribery must be reported to the Group Compliance Office by the Local Compliance Office.

The Group Compliance Office is responsible for tracking reported cases.

Every six months, the Group Compliance Office obtains information from the Local Compliance Officers on any compliance violations that have occurred.

Assurance Report on the Combined Separate Non-financial Report

To KSB SE & Co. KGaA, Frankenthal

Assurance Report of the Independent German Public Auditor on a Limited Assurance in Relation to a Combined Separate Non-financial Report

Assurance Conclusion

We have conducted a limited assurance engagement on the combined separate non-financial report of KSB SE & Co. KGaA, Frankenthal, (hereinafter the „Company") to comply with §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and §§ 315b to 315c HGB including the disclosures contained in this combined separate non-financial report to fulfil the requirements of Article 8 of Regulation (EU) 2020/852 (hereinafter the „Combined Non-Financial Reporting") for the financial year from 1 January to 31 December 2024.

Not subject to our assurance engagement were the external sources of documentation or expert opinions mentioned in the Combined Non-Financial Reporting, which are marked as unassured.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Combined Non-Financial Reporting for the financial year from 1 January to 31 December 2024 is not prepared, in all material respects, in accordance with § 315c in conjunction with §§ 289c to 289e HGB and the requirements of Article 8 of Regulation (EU) 2020/852 as well as with the supplementary criteria presented by the executive directors of the Company.

We do not express an assurance conclusion on the external sources of documentation or expert opinions mentioned in the Combined Non-Financial Reporting, which are marked as unassured.

Basis for the Assurance Conclusion

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

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

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Combined Non-Financial Reporting" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Combined Non-Financial Reporting

The executive directors are responsible for the preparation of the Combined Non-Financial Reporting in accordance with the relevant German legal and European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Combined Non-Financial Reporting in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Combined Non-Financial Reporting) or error.

This responsibility of the executive directors includes selecting and applying appropriate reporting policies for preparing the Combined Non-Financial Reporting, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Combined Non-Financial Reporting.

Inherent Limitations in the Preparation of the Combined Non-Financial Reporting

The relevant German statutory legal and European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Combined Non-Financial Reporting.

German Public Auditor's Responsibilities for the Assurance Engagement on the Combined Non-Financial Reporting

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Combined Non-Financial Reporting has not been prepared, in all material respects, in accordance with the relevant German legal and European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Combined Non-Financial Reporting.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Combined Non-Financial Reporting.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Combined Non-Financial Reporting.
- inquired of the executive directors and relevant employees involved in the preparation of the Combined Non-Financial Reporting about the preparation process, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Combined Non-Financial Reporting.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors.
- performed analytical procedures and made inquiries in relation to selected information in the Combined Non-Financial Reporting.
- considered the presentation of the information in the Combined Non-Financial Reporting.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Combined Non-Financial Reporting.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Mannheim, 12 March 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Dirk Wolfgang Fischer Wirtschaftsprüfer	sgd. Matthias Böhm Wirtschaftsprüfer
[German public auditor]	[German public auditor]

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Combined Management Report

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Basic Principles of the Group

Group Business Model

This management report combines the management reports for KSB SE & Co. KGaA, Frankenthal / Pfalz, Germany, and the KSB Group (Combined Management Report).

The KSB Group's (hereinafter "KSB" or "Group") mission is to supply customers around the world with top-quality pumps and valves as well as related systems. It also offers a broad service and spare parts portfolio to users of these products.

KSB SE & Co. KGaA, as the parent, directly or indirectly holds the shares in the companies belonging to the Group. Besides it, 10 domestic and77 foreign companies are fully consolidated; 6 other companies are accounted for under the equity method. KSB is currently represented in more than 50 countries with its own subsidiaries.

As well as KSB SE & Co. KGaA itself, the companies in the KSB Group with the highest sales revenue are

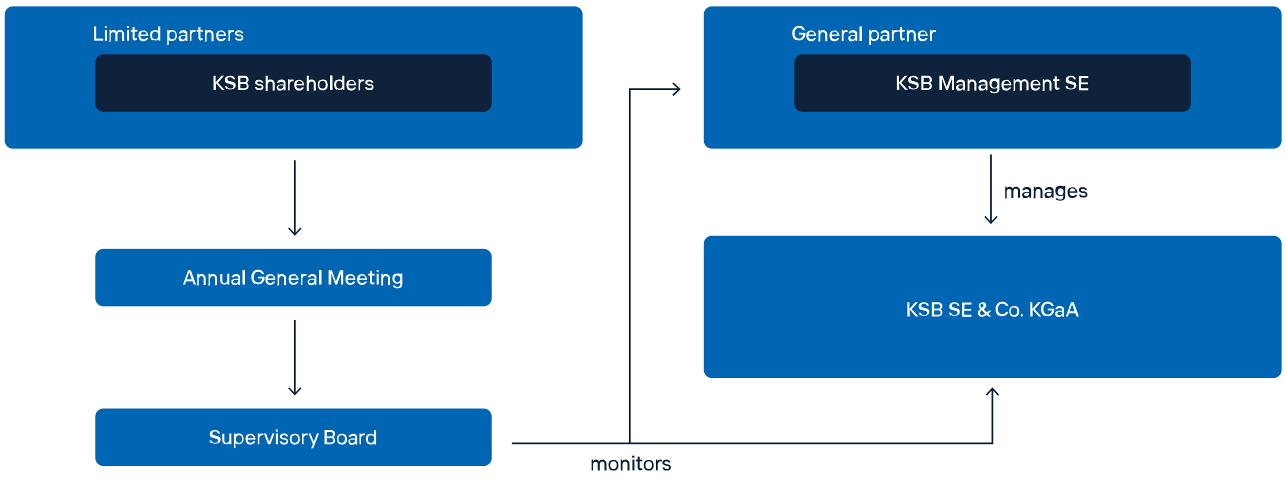
- KSB S.A.S., Gennevilliers (Paris), France
- KSB Limited, Pimpri (Pune), India
- KSB GIW, Inc., Grovetown / Georgia, USA
- KSB Shanghai Pump Co., Ltd., Shanghai, China
- KSB BRASIL LTDA., Várzea Paulista, Brazil
- KSB Service GmbH, Frankenthal, Germany
- KSB Italia S.p.A., Milan, Italy

The basic business model has not changed during the reporting year. External economic and political changes, however, have had a partial effect on business. These are – where relevant and material to KSB – described in the following sections.

Organisation, Management and Control

KSB SE & Co. KGaA was formed from KSB Aktiengesellschaft by entry in the *Handelsregister* [German Commercial Register] on 17 January 2018. The *Kommanditgesellschaft auf Aktien* (KGaA) [partnership limited by shares] is a common legal form in Germany for companies with a family- and foundation-dominated ownership structure. The general partner is KSB Management SE, a European public limited company. The shares in this company are wholly owned by Klein, Schanzlin & Becker GmbH, Frankenthal / Pfalz. Klein, Schanzlin & Becker GmbH is jointly managed by its two shareholders, the non-profit KSB Stiftung [KSB Foundation], Stuttgart, and the non-profit Kühborth-Stiftung GmbH [Kühborth Foundation], Stuttgart. KSB SE & Co. KGaA and with it the KSB Group are managed via KSB Management SE, The company's bodies are the Managing Directors, the Administrative Board and the Annual General Meeting.

All organisational units in the KSB Group act with the aim of ensuring sustainable, profitable growth to secure both KSB's financial independence and its medium- and long-term future. KSB is monitored by a Supervisory Board consisting of twelve members. The Annual General



Management of KSB SE & KGaA is the responsibility of KSB Management SE, the individually liable general partner.
The responsibilities of the bodies are governed by law and the Articles of Association. This is the basis for efficient corporate governance, which contributes to sustainable corporate development.

Meeting of shareholders appoints six members of the Supervisory Board, with the remaining six being delegated by the employees under the terms of the *Mitbestimmungsgesetz* [German Co-determination Act].

The basic structure of the Group is summarised in the following illustration.

→ **Bodies / Structure**

The KSB Group organises its business activities in the following Segments: Pumps, Valves and KSB SupremeServ.

The Pumps Segment comprises new business with single-stage and multistage pumps, submersible pumps and the associated control and drive systems. The applications are assigned to the Market Areas of Energy and Mining and to the Market Areas of Water, Building Services, Petrochemicals / Chemicals and General Industry, which are grouped together in the organisational and reporting structure of the Group as Standard Markets.

The Valves Segment combines the Group's business activities with regard to new business in butterfly valves, globe valves, gate valves, control valves, diaphragm valves and ball valves, as well as associated actuators and control systems. The basic applications for these products are identical to those for pumps.

The KSB SupremeServ Segment on the one hand comprises the spare parts business for pumps and valves. On the other hand, KSB's service activities are allocated to this Segment. These include the installation, commissioning, inspection, servicing, maintenance, reverse engineering and repair of pumps, related systems and valves, as well as modular service concepts and system analyses for complete plants.

Managing the Group using this new structure is aimed in particular at strategically strengthening the individual divisions and leveraging market potential. In addition, KSB is using its organisational and segment structure to focus on market-specific and customer-specific applications in the solutions it offers. For the Pumps Segment, this is ensured by considering individual Market Areas separately for internal control purposes.

In addition to the segment information, this management report contains supplementary quantitative explanations on the Group's performance at the reporting regions level.

Markets and Locations

In the KSB Group, sales revenue is generated mainly from goods and services relating to centrifugal pumps. These pumps, as well as valves, are sold to engineering contractors, OEMs and end users or, in some cases, distributed via dealers. The same applies to control and monitoring systems, and to package units with pumps and valves.

The largest and best developed sales market for these products is Europe, where KSB operates its main manufacturing facilities in Germany and France. The main plant of the present KSB SE & Co. KGaA in Frankenthal is its largest in Europe, ahead of the production sites in Pegnitz (Bavaria) and Halle (Saxony-Anhalt) in Germany, and La Roche-Chalais in France.

The second-largest market for KSB products is the Region Asia / Pacific, followed by the Region Americas and the Region Middle East / Africa. Outside Europe, KSB's biggest production sites are in Brazil, China, India and the USA.

KSB manufactures and assembles products and components in more than 20 countries; they are sold through the Group's own companies or agencies in over 100 countries. With their products, the Group companies serve customers in industry including the chemical and petrochemical industries, in the energy sector, in construction / building services, in water and waste water management, and in mining. In 2024, the most important markets were general industry, water and energy.

As the largest company in the KSB Group, KSB SE & Co. KGaA serves all the Group's Regions and markets.

In order to be able to offer KSB products at favourable prices, the Group's purchasing requirements are combined and affordable suppliers sourced around the world who meet the relevant quality standards. The KSB Group is able to maintain its market position as one of the leading pump and valve manufacturers through excellent and long-term relationships with customers and suppliers. Well trained and motivated employees as well as the high quality of products have also helped cement this reputation.

Control System

Based upon a matrix organisation, the key financial performance indicators are determined as follows:

Management decisions for the Group as a whole and for the Pumps, Valves and KSB SupremeServ Segments are made on the basis of the following key indicators: order intake, sales revenue and EBIT. EBIT is defined as earnings before finance income / expense and income tax.

Management decisions for KSB SE & Co. KGaA are made on the basis of the same control metrics as for the Group.

No non-financial performance indicators are consulted for controlling the Group.

Basis of Preparation of the Combined Management Report

Unless any specific information is provided in this report to describe changes, KSB uses the following terms:

A change of ± 0.0 to 1.4 % is described as “stable, marginal”. A change of ± 1.5 to 2.9 % is described as “slight, moderate” and a change of ± 3.0 to 7.0 % as “significant, tangible, noticeable”. Changes of ± 7 % are described as “sharp, strong, substantial”. This definition of the ranges does not apply to the Report on Expected Developments section in the financial year. More information is provided in the same section of this report.

Amounts in this report are generally presented in millions of euros (€ millions) using standard commercial rounding rules. Due to rounding, there may be minor differences in the totals and percentages presented in this report.

Research and Development

Research and development are vital for KSB. The development of innovative products and solutions is critical to maintaining and expanding the Group’s competitiveness. It is key to KSB’s long-term success, as the customers’ needs and market requirements are developing continuously and the sales portfolio therefore needs to be constantly adjusted. In the following, KSB presents the main research and development projects carried out in the 2024 financial year.

Digitalisation and artificial intelligence (AI)

The “Visualisation and analysis of product variance” project at KSB aims to optimise the product portfolio and make it resilient over the long term. Even though customers appreciate the wide range of variants in the KSB product portfolio, this diversity leads to a high level of material and process complexity with correspondingly high costs. The project develops methods to structure information about the products, present facts transparently and derive recommendations for action by using simulation programmes. Artificial intelligence is used to recognise patterns and causalities.

Requirements that cannot be derived from historical data are to be identified and presented based on technical and application-specific criteria using the strategic foresight approach. All functions are integrated into a continuous, tool-supported optimisation process. The data from operational systems is processed and fed back.

Another project aims to develop algorithms for the monitoring and analysis of pump sets that are then used for products such as KSB Guard. The company uses tools such as generative artificial intelligence. In the reporting year, new applications to increase process efficiency were assessed for example. It is also the goal of KSB to develop more sustainable products, which is why detailed guidelines and key indicators are used to describe the origin of products and their components.

69.0

Research and development expenses in € millions

In an increasingly digitalised world, the ability to collect and use data efficiently is gaining importance. This is precisely where a KSB project that aims to equip pumps with advanced data collection and transmission capabilities comes into its own. The innovation makes it possible to seamlessly transfer data to the KSB Cloud or to customer systems, analyse it, adjust configurations, activate new functions and carry out firmware updates. With this project, KSB intends not only to introduce new digital business models, but also to improve traditional services. In addition, the goal is to gain a deeper understanding of the installed products in terms of load profiles or the number of operating hours in a certain load situation in order to derive the requirements to make even better pumps. Work includes the further development of hardware and firmware for communication modules for various pump types as well as the standardisation of data transmission and classification of the data to be transmitted.

Another key project addresses the technical diagnosis of pumps, as it helps in recognising and remedying problems at an early stage before major failures occur. This contributes to increasing the pumps' efficiency and reducing operating costs. In addition, regular diagnosis extends the service life of the pumps by early recognising wear and damage so that appropriate measures can be taken. That is why KSB is working on further expanding its core expertise in the field of machine diagnostics in order to utilise it with the KSB Guard monitoring unit with vibration and temperature sensor. This project is funded by the BMBF (German Federal Ministry of Education and Research) as part of the FLEXOPUMPS project. The aim of the project and the diagnostic activities is to develop a monitoring and diagnosis system that monitors the operating status of the pumps, identifies anomalies at an early stage and evaluates the service life of the pump sets. In 2024, intensive work was carried out on damage models to enable automated classification of damage and anomalies.

Pumps and drives

Waste water pumps are used for transporting and treating contaminated water. There is a high risk of clogging due to the solids often present in waste water. This is why today's pumps are still of a heavy and robust design. The aim of one project was therefore to reduce the material and energy consumption of waste water pump sets in the future. For example, a control system integrated into the pump that can detect and initiate the automatic elimination of clogging is to help achieve this. Work on this project includes the development and testing of demonstrators as well as the standardisation of the pumps.

In June 2024, KSB launched the smart AmaRex Pro submersible motor pump for waste water. This further development of the Amarex type series follows the trend for equipping waste water pumps with additional functions to increase operating reliability and reduce energy consumption as well as overall costs. They feature an innovative, two-channel impeller that minimises clogging and offers high hydraulic efficiency. AmaRex Pro also comprises a highly efficient drive of energy efficiency class IE5. The integrated electronic functions help to automatically detect clogging and initiate a deragging process. This reduces unscheduled servicing and costs. With the freely available KSB ServiceTool software, the waste water pumps can be customised to individual requirements. The development team is working on extensions such as a Modbus interface and ATEX certification.

Energy-efficient electric motors are important for driving centrifugal pumps because they lower power consumption and thus reduce operating costs. They also make for lower heat and vibration levels, which extends the service life of the pumps and ensures reliable operation and performance. PumpDrive 3 and MyFlowDrive 2 represent a consistent further development of the predecessor type series. They are designed for standard water pumps with ratings from 0.25 kW to 3 kW. This further development aimed to create a cost-optimised product by saving on materials, reducing component complexity and increasing the output per size. At the same time, the super-synchronous speed is to be utilised within technical limits in order to meet or exceed the requirements of the planned EU Directive 547. Regular functional enhancements are possible via over-the-air updates. The customer can customise the product at a later date or is supplied with a product preset at the factory.

Mining pumps are subject to extreme wear. The more a pump wears out, the less economical its operation becomes and the more likely it is to fail completely. However, downtime is a costly affair for operators. This is why the developers at KSB GIW, Inc. in Georgia, have been working on enhancing an IIoT solution for large mining pumps. It is an internet-based technology for measuring the clearance between impeller and the wear plate. The technology relies on data acquisition using specially developed ultrasonic sensors as well as the processing and conversion of this data into information for the mine operator. This enables the operator to carry out maintenance and servicing at the right time. However, the pumps used in mining and their design also require constant improvement in order to remain at the cutting edge of technology. This is why the developers have been working to further develop the LCC type series, which is an important part of the mining product portfolio.

Nuclear power is a key CO_2-free transitory technology for energy generation in many countries. It is a fundamental element in ensuring the stability of power grids during the intensive utilisation of renewable energy sources. After more than ten years in development, the first commercial nuclear power plant in China with the world's most modern KSB reactor coolant pump started operations in December 2024. Based on this pump type, a global team of developers worked on a scaled-down version of the RUV pump in the reporting year. It is intended for the smaller CAP1000 reactor type. The pumps will be used for the first time in a power plant in China to be commissioned in the next few years.

One valve for different tasks

Valves are of great importance in piping systems as they control and secure the flow of liquids or gases. They protect the individual components from excessive pressure and ensure the safety of entire systems. Developers at KSB are working on a modular control valve as part of a BMBF-funded project. Together with TU Darmstadt as a scientific partner, a concept is being investigated and developed that combines several obturators in a single-piece valve body and thus unites the properties of several valve types. An intelligent control unit is also being developed. It provides the required control functions by recording the volume flow and various temperatures, enabling individual applications to be controlled autonomously. The control unit communicates with other intelligent systems in the process control system. Given that “you can only optimise what you monitor”, smart control valves for building services are being developed as part of another project. It aims to provide automation solutions for the straight-forward and cost-effective monitoring as well as controlling and optimisation of heating, ventilation and air-conditioning systems (HVAC) with a focus on energy efficiency. Further intelligent control solutions are to be developed in order to fulfil future legal requirements.

Overall, the Group spent € 69.0 million on research and development in the reporting year. This equates to 2.3 % of sales revenue. KSB SE & Co. KGaA invested € 49.1 million in research and development in the reporting year. This equates to about 5.6 % of sales revenue. Across the Group, 585 staff were employed in research and development on average over the year. At KSB SE & Co. KGaA, 315 staff worked in research and development in the reporting year. Patents are essential to protect intellectual property rights and maintain an edge over competitors. KSB filed patents for 40 inventions in the 2024 financial year. 91 patents which had been filed for in previous years were granted to the Group in 2024.

Economic Review

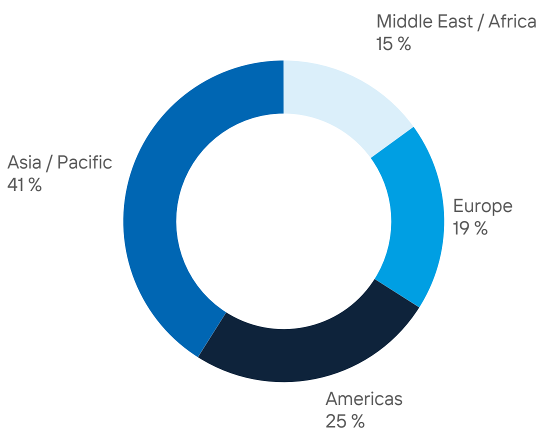
Macroeconomic Environment and Sector View

At 3.1 %, the forecast for global economic growth in 2024 was already below the previous year's level from the start of the year. In the course of the year, the International Monetary Fund (IMF), whose figures are used for planning, increased this estimate marginally to 3.2 %. The pace of expansion is therefore slower than in the past. This is due to both short-term factors such as the persistently high cost of credit and the longer-term effects of the COVID-19 pandemic and the Russian invasion of Ukraine. Weak growth in productivity and increasing geo-economic fragmentation are also having a negative impact.

Cyclical imbalances have weakened since the beginning of the year and have led to a better alignment of economic activity with production potential in the major economies. This adjustment has caused a convergence of inflation rates in the individual countries, resulting in lower global inflation overall. The inflation rate fell to 5.7 % worldwide.

The IMF raised its economic growth estimate slightly for the group of economically advanced countries to 1.7 % in 2024.

World market for centrifugal pumps and valves



Source: KSB estimate (February 2025)

At the beginning of the year the forecast was still at 1.5 %. Economic growth in the emerging markets and developing countries was 4.2 %, which slightly exceeded the forecast at the start of the year (4.1 %).

Europe continued to be of major importance for the KSB business in 2024. Economic growth gradually picked up again in KSB's largest market. Falling inflation, historically low unemployment and rising consumption contributed to this. Economic growth in the euro zone was 0.8 %. Economic output in France and Italy grew by 1.1 % and 0.6 % respectively. Spain achieved a comparatively high growth rate of 3.1 %, in particular due to the strong increase in tourism services and the positive development of private and public consumer spending. In contrast, economic output in Germany fell by 0.2 %, primarily attributable to the decline in industrial production as a result of persistently weak demand from abroad. The UK reported growth of 0.9 %, as falling inflation and interest rates stimulated domestic demand.

Economic growth of 2.8 % in the USA was significantly higher than the expectations of 2.1 % at the start of the year. This was supported by higher investments in the property sector and robust growth in consumer spending.

China's economy grew by 4.8 % and was slightly above expectations at the beginning of the year due to stronger net exports despite the continued weakness in the property sector.

In India, economic growth totalled 6.5 % as expected at the start of the year. The economies of the five economically most important countries in South East Asia – Indonesia, Malaysia, the Philippines, Thailand and Vietnam – grew by 4.5 % overall, which was marginally lower than start-of-the-year expectations.

The economy in South America developed positively overall, with different trends in the individual countries. Thanks to higher private consumption and investments, economic output of 3.7 % in Brazil significantly exceeded expectations at the start of the year.

Economic developments in the countries in the Region Middle East / Africa was positive, but remained largely below expectations at the beginning of the year. For Saudi Arabia, likewise a large sales market for KSB, the IMF reported significantly lower growth than expected at the start of the year at 1.4 % (forecast: 2.7 %) as a result of the extension of oil production cuts. The South African economy grew by 0.8 %, being only slightly below the 1.0 % expected at the beginning of the year.

Modest Growth in Most Sales Markets

Most markets and regions in which KSB operates reported modest year-on-year growth.

In General Industry, which covers a series of cyclical sectors in the manufacturing industry, production and investment rose slightly in the previous year. The production of capital goods stagnated. Production rates in the pharmaceutical industry were above the previous year's level. However, the automotive industry declined compared with the previous year.

The water and waste water sector recorded modest growth in terms of production value. This was exacerbated by the weaker development in industry and the rise in costs in this sector.

Despite the ongoing effects of the global energy crisis, the increase in demand for electricity remained very robust due to solid economic activity in many regions, intense heatwaves and continued electrification, and grew more strongly overall than in previous years. The high demand for electricity in several countries such as China, India and the USA fuelled this development. Investments in the expansion of storage technologies and renewable energies increased once again. Electricity generation from coal went up slightly, led by Asia – particularly China and India. Generation from natural gas and electricity generation from nuclear energy also increased slightly. Global investments in nuclear energy rose. New nuclear power plants were commissioned in China, the United Arab Emirates and the USA, among others. In China in particular, construction work on further nuclear power plants started in the past year.

Global oil production increased overall, albeit slightly less than expected at the beginning of the year. Global gas production was above the previous year's level. Production in Russia went up again after years due to stronger exports. China and the Middle East also recorded an increase, while production in the USA stagnated. Global utilisation of refinery capacity increased marginally. While the Middle East and Asia saw an increase in capacity utilisation, the figure stagnated in the USA and fell in China and Europe.

The chemical industry recorded an increase in production, with China proving to be the main growth driver. Europe recorded moderate production growth. Chemical production in the USA stagnated due to weak domestic demand from industrial customers.

The construction industry was able to continue its growth trajectory from the previous year, despite a modest forecast at the beginning of the year. This development was supported by the ongoing, economic stimulus spending on infrastructure expansion in many countries. Residential building construction gained, albeit at a slower pace than in the other sectors. Growth was also reported in non-residential construction. However, there were clear regional differences in the development of both sectors. In Europe, more than half of all countries experienced a decline – including the German market.

Mining continued to be supported by strong demand for metals that are required for producing green technologies. There was an increase in the demand for metals required for electromobility, renewable energy generation and grid expansion, and for the production of storage technologies. This relates in particular to copper, aluminium, nickel and lithium. The growth in demand was partially reflected in an increase in the extraction of these metals. The global trade in iron increased, despite stagnating or declining steel production and demand. The extraction of oil sands was significantly higher than in the previous year.

Decline in Mechanical Engineering

Structural changes and overcapacity in some customer segments of the mechanical engineering industry caused the demand for mechanical engineering products to decline. According to the German Mechanical Engineering Industry Association (VDMA), global sales revenue in the mechanical engineering sector fell by 2 % in real terms in 2024, albeit with significant regional differences. While sales revenue in India, China and Brazil increased, it declined in the USA and Europe.

According to VDMA, sales revenue in the German mechanical engineering sector fell by 8.0 % in real terms. Based on the provisional calculations of the German Federal Statistical Office, production up to November decreased by 7.0 % in real terms. Capacity utilisation was again down on the previous year.

In the liquid pumps sector, VDMA recorded a real decline in sales revenue of 9.0 % among German pump manufacturers. Sales revenue with industrial valves was minimally below the previous year's level, while building services valves saw sales revenue fall by 3.3 %.

Business Development and Results of Operations

As in the previous years, the 2024 financial year was characterised by the persistently difficult economic situation in central Europe and the ongoing geopolitical tensions. The financial year was also influenced by subdued global economic growth. This also continues to pose challenges for the German economy. Persistently high energy prices continue to weigh heavily on the manufacturing industry.

Thanks to the KSB Group's global presence across several regions, these economic downturns were more than compensated for by positive developments outside Europe.

Overall, there was a significant increase in order intake and sales revenue compared with the previous year. EBIT even recorded strong growth. The reasons for the changes are explained in the sections on order intake, sales revenue and EBIT.

Order intake

The volume of incoming orders rose significantly by € 154.5 million (5.2 %) to € 3,114.0 million in the financial year.

The largest percentage growth was reported in the Regions Middle East / Africa with a plus of € 14.7 million (9.3 %) and Asia / Pacific with a plus of € 65.6 million (8.3 %). The Region Americas also contributed to the positive development with a significant increase of € 33.4 million (5.8 %) in order intake. Order intake in the Region Europe recorded a moderate increase of € 40.8 million (2.8 %).

Pumps

Order intake in the Pumps Segment amounted to € 1,658.6 million compared with € 1,576.5 million in the previous year. This represents a tangible increase in this Segment. The Standard Markets operating segment accounted for € 1,335.9 million (previous year: € 1,263.9 million) of the total order intake in the Pumps Segment.

The Water Market Area contributed the largest share with € 494.5 million (previous year: € 435.1 million), which represents a significant rise of 13.7 %. This is attributable to stable day-to-day business in almost all Regions as well as extraordinary growth in standard business in the Regions Asia / Pacific and Americas and very good project business in the Regions Europe and Middle East / Africa. The Building Services Market Area also improved significantly by € 7.3 million (3.2 %) this year. The gap left by the declining heating market in Germany was compensated for by strong growth in other countries. Increases were also achieved in the other Standard Market Areas. Developments in the Mining and Energy operating segments, which include the project business in particular, showed noticeable growth in order intake of 3.2 % to € 322.6 million (previous year: € 312.6 million). This increase is attributable to the Energy operating segment, which benefited from strong growth in the Regions Europe, Americas and Asia / Pacific. In the Region Asia / Pacific, growth was driven in particular by a major power plant project in India. This fully compensated for the decline in the Mining operating segment by major orders from the same period of the previous year.

The Region Europe contributed the largest share of order intake in the Pumps Segment with € 758.6 million (previous year: € 732.7 million), followed by the Region Asia / Pacific with € 533.6 million (previous year: € 489.7 million) and the Regions Americas and Middle East / Africa, each with lower contributions in absolute terms.

The Region Middle East / Africa achieved the strongest growth rate, while the Region Americas posted a marginal decline.

Valves

Order intake in the Valves Segment amounted to € 407.4 million compared with € 392.6 million in the previous year. This growth was driven by the very positive development in the petrochemical / chemical business. The other markets showed stable development. The largest Region by far is Europe with € 222.8 million (previous year: € 229.5 million), followed by Asia / Pacific with € 142.4 million (previous year: € 123.3 million) and the Regions Americas and Middle East / Africa each with lower contributions in absolute terms.

KSB SupremeServ

Order intake in the KSB SupremeServ Segment – which covers all service and spare parts activities – reached

Segment reporting

	Order intake		Sales revenue		EBIT	
€ millions	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Pumps Segment	1,658.6	1,576.5	1,550.5	1,513.7	40.5	52.3
Valves Segment	407.4	392.6	398.8	361.4	-0.8	-7.5
KSB SupremeServ Segment	1,048.1	990.4	1,015.8	943.9	204.5	179.1
Total	**3,114.0**	**2,959.5**	**2,965.2**	**2,819.0**	**244.2**	**223.9**

€ 1,048.1 million and was thus significantly higher than in the previous year (€ 990.4 million). The increase is partly attributable to the very good performance of the spare parts business in the energy business, the mining business and in general industry.

In the KSB SupremeServ Segment, too, the Region Europe made the greatest contribution to order intake with € 492.1 million (previous year: € 470.4 million), followed by Americas with € 326.8 million (previous year: € 292.3 million) and Asia / Pacific as well as Middle East / Africa. The highest growth rate was reported in the Region Americas.

3.0

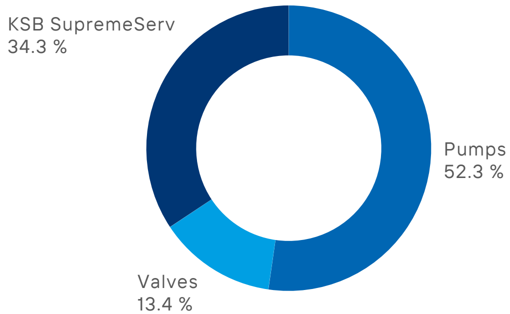
Consolidated sales revenue in € billions

Sales revenue

The Group's consolidated sales revenue, which lags behind order intake, grew significantly by € 146.2 million (5.2 %) to € 2,965.2 million.

All the Regions contributed to this sales revenue growth. Europe remained by far the largest Region with sales revenue of € 1,455.4 million (previous year: € 1,427.8 million, followed by Asia / Pacific with € 781.6 million (previous year: € 708.1 million), Americas with € 566.7 million (previous year: € 523.7 million) and the Region Middle East / Africa with € 161.4 million (previous year: € 159.3 million). The largest percentage increase was reported by the Region Asia / Pacific with € 73.4 million (10.4 %), followed by Americas with € 43.0 million (8.2 %). The companies in the Region Europe grew slightly, while the Region Middle East / Africa remained stable.

Sales revenue by segment



Pumps

Sales revenue in the Pumps Segment totalled € 1,550.5 million (previous year: € 1,513.7 million), representing a moderate increase. The Standard Markets operating segment, which grew moderately, accounted for € 1,250.7 million (previous year: € 1,232.0 million). The main driver of this development was the Petrochemicals / Chemicals Market Area, which grew strongly. Among other things, a major project in China was invoiced, the order intake for which originated in previous years. This increase was contrasted by a slight decline in the Water Market Area, while the other Standard Market Areas remained stable. In the Energy and Mining operating segments, sales revenue increased significantly from € 281.6 million in the previous year to € 299.9 million. This very positive development is attributable to the Energy operating segment.

Europe remains by far the largest region, with sales revenue of € 743.4 million (previous year: € 755.9 million), followed by Asia / Pacific with € 469.3 million (previous year: € 434.4 million), then the Region Americas and the Region Middle East / Africa.

Valves

In the Valves Segment, sales revenue was € 398.8 million after € 361.4 million in the previous year. As in the previous year, the increase is attributable to the development of the project business, while development in the Standard Markets was stable. Europe remains by far the largest region with € 227.1 million (previous year: € 213.8 million), followed by Asia / Pacific with € 132.3 million (previous year: € 116.3 million), then the Region Americas and the Region Middle East / Africa. Strong double-digit growth rates were achieved in the Regions Americas, Asia / Pacific and Middle East / Africa.

KSB SupremeServ

Sales revenue in the KSB SupremeServ Segment amounted to € 1,015.8 million after € 943.9 million in the previous year. This strong increase resulted in particular from the positive development of the pumps spare parts business in the Energy, Mining and Petrochemicals / Chemicals Market Areas as well as the valves spare parts business. In the Petrochemicals / Chemicals Market Area, products for several major spare parts projects were delivered, the order intake for which originated in previous years. Europe remains by far the largest region, with sales revenue of € 485.0 million (previous year: € 458.1 million), followed by Americas with € 301.2 million (previous year: € 280.8 million), then Asia / Pacific and Middle East / Africa. The Region Asia / Pacific achieved the strongest growth rate.

Earnings Before Finance Income / Expense and Income Tax (EBIT)

The KSB Group achieved earnings before finance income / expense and income tax (EBIT) of € 244.2 million (previous year: € 223.9 million). The earnings improvement is primarily attributable to sales revenue growth and margin strength in the KSB SupremeServ Segment. The Valves Segment also improved significantly. In the current financial year, EBIT includes external consulting costs for the migration of the SAP R/3 system to the SAP S/4HANA system totalling € 15.4 million. The migration costs in the previous year came to only € 2.6 million.

244.2

Consolidated earnings (EBIT) in € millions

Pumps

EBIT in the Pumps Segment amounted to € 40.5 million (previous year: € 52.3 million), The sharp drop in EBIT is attributable to several factors. The Standard Markets operating segment largely accounted for the significant decrease. While significant declines were reported in the General Industry and Building Services Market Areas, the Water and Petrochemicals / Chemicals Market Areas achieved significant growth which, however, did not compensate for the declines. Another factor for the reduction which affected the Energy operating segment was the risk provisioning for a power plant project. In addition, external consulting costs for the implementation of the SAP S/4HANA system had a negative impact on EBIT in the Pumps Segment totalling € 8.4 million (previous year: € 1.8 million). The EBIT margin achieved was 2.6 % (previous year: 3.5 %).

Valves

EBIT in the Valves Segment was € -0.8 million (previous year: € -7.5 million) and thus € 6.7 million higher than in the previous year. EBIT of € -7.5 million achieved in the 2023 financial year was primarily impacted by project provisions and the after-effects of the hail damage in 2022, which were only partially offset by a higher sales revenue and the insurance compensation of € 9.2 million received in 2023 for the hail damage in La Roche-Chalais. The strong improvement in earnings in the 2024 financial year is largely attributable to the higher sales revenue and better capacity utilisation. Improvements in productivity and lower project provisions than in the previous year continued to supported earnings. On the other hand, external consulting costs for the implementation of the SAP S/4HANA system had a negative impact of € 2.0 million on EBIT (previous year: € 0.3 million). The EBIT margin achieved was -0.2 % (previous year: -2.1 %).

KSB SupremeServ

Thanks to the significant growth in sales revenue, EBIT was increased by € 25.4 million to € 204.5 million (previous year: € 179.1 million). This equates to an EBIT margin of 20.1 % (previous year: 19.0 %). The main drivers of earnings growth were the spare parts business in the energy and mining markets. The service business also grew profitably. On the other hand, external consulting costs for the implementation of the SAP S/4HANA system had a negative impact of € 5.0 million on EBIT (previous year: € 0.5 million).

Income Statement

€ millions	2024	2023	Percentage change
Sales revenue	**2,965.2**	**2,819.0**	**5.2**
Changes in inventories	8.6	24.3	64.7
Work performed and capitalised	2.2	2.0	10.9
Total output of operations	**2,975.9**	**2,845.2**	**4.6**
Other income	35.0	44.4	21.1
Cost of materials	-1,178.6	-1,153.7	2.2
Staff costs	-1,014.1	-960.7	5.6
Depreciation and amortisation	-97.4	-88.1	10.6
Other expenses	-476.6	-463.3	2.9
Earnings before finance income / expense and income tax (EBIT)	**244.2**	**223.9**	**9.1**
Finance income	13.8	9.4	46.9
Finance expense	-33.1	-29.7	11.5
Income from / expense to investments accounted for using the equity method	6.3	5.4	17.4
Finance income / expense	**-13.0**	**-14.9**	**12.9**
Earnings before income tax (EBT)	**231.2**	**209.0**	**10.6**
Taxes on income	-84.4	-32.4	160.8
Earnings after income tax	**146.8**	**176.6**	**16.9**
Attributable to:			
Non-controlling interests	28.7	24.3	18.0
Shareholders of KSB SE & Co. KGaA	**118.1**	**152.3**	**22.5**
Diluted and basic earnings per ordinary share (€)	67.29	86.83	22.5
Diluted and basic earnings per preference share (€)	67.55	87.09	22.4

Further information is provided in Section V. Income Statement Disclosures in the Notes to the consolidated financial statements.

Total Output of Operations

Total output of operations amounted to € 2,975.9 million compared with € 2,845.2 million in the previous year. While sales revenue increased by € 146.2 million, the change in inventories of € 8.6 million (previous year: € 24.3 million) reduced the total output of operations by € 15.7 million.

Income and Expenses

Other income of € 35.0 million fell by € 9.4 million compared with the previous year (previous year: € 44.4 million). The main reason for the decrease was the insurance compensation of € 10.4 million received in the previous year in connection with hail damage at the French plant in La Roche-Chalais in 2022.

The cost of materials as a percentage of total output of operations fell from 40.5 % in the previous year to 39.6 % in the reporting year. The lower cost of materials is mainly due to the higher share of sales revenue in the KSB SupremeServ Segment, which has significantly higher margins than the Pumps and Valves Segments.

Staff costs rose from € 960.7 million to € 1,014.1 million in the financial year (a rise of € 53.4 million). The increase is largely attributable to the higher headcount and general wage and salary increases. The number of employees rose from 15,938 to 16,256 on average over the year. On average in the reporting year, the KSB Group had 318 employees (2.0 %) more than in the previous year. Asia / Pacific reported the greatest increase in the number of employees with a plus of 146. The number of employees in the Region Europe rose by 116. Despite the increasing number of employees, the total output of operations per employee rose from € 179 million to € 183 million, due to the 4.6 % increase in the total output of operations.

Depreciation and amortisation fell by € 9.3 million to € 97.4 million compared with the prior-year period. This is mainly due to higher scheduled depreciation and amortisation, which at € 93.8 million was € 6.0 million above the prior-year level (€ 87.8 million). Write-downs and write-ups increased by € 3.3 million from € 0.3 million in the previous year to € 3.6 million in the reporting year. In the current financial year, they primarily related to the write-down of goodwill in the KSB SupremeServ Segment of a service company in the USA (€ 2.5 million) and impairment losses on part of the valves business in France (€ 1.7 million).

At € 476.6 million, other expenses exceeded the prior-year level (€ 463.3 million) by € 13.4 million. This is largely attributable to € 26.9 million higher expenses for repairs, maintenance and third-party services. The consulting costs for migrating the SAP R/3 system to the SAP S/4HANA system totalling € 15.4 million contributed significantly to this increase. The transformation costs in the previous year came to only € 2.6 million. Other expenses fell from € 38.6 million in the previous year to € 20.6 million in the current year. The main reasons for this decline are the lower provisions for expected losses and the lower additions to warranty obligations compared with the previous year. As a percentage of total output of operations, expenses decreased marginally from 16.3 % in the previous year to 16.0 % in the financial year.

The finance income / expense amounted to € -13.0 million (previous year: € -14.9 million). This is mainly due to a € 6.6 million decrease in the net interest balance, which was, however, largely offset by increased creditor losses (€ +5.7 million) from the hyperinflation adjustment in Argentina and Turkey.

Earnings

The KSB Group generated earnings before income tax (EBT) of € 231.2 million compared with € 209.0 million in the previous year. The return on sales before income tax rose from 7.4 % in the previous year to 7.8 %. Taxes on income of € 84.4 million rose by € 52.0 million compared with the previous year (€ 32.4 million). The effective taxes increased by € 12.7 million to € 77.6 million. Expenses from deferred taxes increased by € 39.4 million, compared with income of € 32.6 million in the previous year, and thus came to € 6.8 million. The income tax rate was up accordingly from 15.5 % in the previous year to 36.5 %. The low income tax rate of 15.5 % in the previous year was mainly attributable to the full reversal of previous impairments on deferred tax assets for loss carryforwards and taxable temporary differences in the tax group of KSB SE & Co. KGaA. In the 2024 financial year, the income tax rate was negatively impacted in particular by € 9.6 million from a completed tax audit. Due to the sharp rise in taxes on income, earnings after income tax fell from € 176.6 million in the previous year to € 146.8 million in the reporting year, a decrease of € 29.8 million.

At € 28.7 million, earnings attributable to non-controlling interests rose by € 4.4 million compared with the previous year. The ratio of non-controlling interests to earnings after income tax increased noticeably from 13.8 % to 19.6 %.

Earnings attributable to shareholders of KSB SE & Co. KGaA (€ 118.1 million) were € 34.2 million lower than in the previous year (€ 152.3 million).

Earnings per ordinary share were € 67.29, compared with € 86.83 in the previous year, and € 67.55 per preference share, compared with € 87.09 in 2023.

Financial Position and Net Assets

Financial Position

Statement of Cash Flows

€ millions	2024	2023	Percentage change
Earnings after income tax	146.8	176.6	16.9
Taxes on income	84.4	32.4	160.8
Finance income and finance expense	19.3	20.3	4.9
Depreciation and amortisation	97.4	88.1	10.6
Gain / loss on disposal of intangible assets and property, plant and equipment	-0.2	0.2	256.2
Change in working capital	-26.9	-1.7	1,505.2
Change in other assets and liabilities as well as provisions	-3.5	22.2	115.9
Income tax paid	-61.1	-65.1	6.0
Interest received	12.5	7.3	71.8
Cash flows from operating activities	**268.6**	**280.3**	**4.2**
Payments to acquire intangible assets and property, plant and equipment	-135.0	-106.5	26.8
Change in deposits	-19.3	0.3	5,712.2
Change in the other items from investing activities	0.5	2.6	81.4
Cash flows from investing activities	**-153.7**	**-103.5**	**48.5**
Dividends paid	-59.6	-40.7	46.6
Change in financial liabilities (including lease liabilities)	-26.7	-19.5	37.2
Interest paid	-3.1	-3.3	6.9
Transactions with non-controlling interests	0.6	–	100.0
Cash flows from financing activities	**-88.8**	**-63.5**	**39.9**
Changes in cash and cash equivalents	26.1	113.3	77.0
Effects of exchange rate changes on cash and cash equivalents	2.8	-3.0	194.3
Effects of changes in consolidated Group	–	1.6	100.0
Cash and cash equivalents at beginning of period	340.4	228.6	48.9
Cash and cash equivalents at end of period	**369.3**	**340.4**	**8.5**

Further information is provided in Section VII. Statement of Cash Flows in the Notes to the consolidated financial statements.

The KSB Group's financial position remains very good. Equity increased in the reporting year and amounted to € 1,335.4 million (previous year: € 1,216.9 million). The equity ratio of 46.6 % was above the previous year's level (45.6 %).

Liquidity

KSB recorded cash flows from operating activities of € 268.6 million compared with € 280.3 million in the previous year. Of these cash flows, € 26.9 million is attributable to the increase in working capital. While the rise in trade receivables (€ 48.3 million) and inventories (€ 17.0 million) resulted in cash outflows, cash inflows were generated from the higher trade payables and contract liabilities (€ 36.3 million in total).

The outflows from investing activities rose by € 50.2 million from € 103.5 million in the previous year to € 153.7 million in the reporting year. This is attributable to a € 28.5 million increase in payments to acquire intangible assets and property, plant and equipment on the one hand, and a € 23.9 million increase in net proceeds from deposits with an original maturity of more than three months on the other hand.

Cash flows from financing activities were € 25.4 million higher than in the previous year mainly as a result of the € 18.9 million increase in dividend payments. In addition, € 2.7 million less in financial liabilities were taken on and € 3.1 million more were paid out.

Overall, cash and cash equivalents increased sharply from € 340.4 million in the previous year to € 369.3 million in the reporting year.

From the current perspective, the KSB Group's finance management continues to assume that it meets its goal of ensuring liquidity at all times essentially without any additional external financing measures. The credit and guarantee lines include amounts from a syndicated loan agreement originally signed in December 2018 and extended on 19 November 2024 as part of an amendment and restatement agreement. The associated credit line of € 300.0 million can be used at any time and increased by KSB by a further € 250.0 million through the exercise of an option to increase the credit line. The guarantee line from the syndicated loan agreement comes to € 250.0 million. The fixed five-year term of the agreement until 19 November 2029 additionally gives KSB the option to renew twice by one year each time.

For more information on liquidity management (such as credit lines) see the Risk Report on the Utilisation of Financial Instruments section elsewhere in this Group management report.

371.0

Net financial position in € millions

Investments

The additions to intangible assets amounting to € 7.4 million are slightly below the prior-year level (€ 9.8 million).

Investments in property, plant and equipment of € 132.4 million in the reporting year are € 32.5 million higher than in the previous year (€ 99.9 million).

At € 50.9 million, the highest additions related to advance payments and assets under construction, as in the previous year (€ 34.8 million). Another € 28.3 million related to plant and machinery (previous year: € 22.4 million), while € 27.6 million was accounted for by other equipment, operating and office equipment (previous year: € 23.0 million). As in 2023, the focus of capital investment activity was the Region Europe, mainly Germany, France and the Netherlands. Outside Europe, the highest additions were made at the plants in China, the USA and India.

Net financial position

At € 371.0 million, the net financial position increased sharply by € 46.1 million from € 324.9 million in the previous year. It is derived from the balance of interest-bearing financial liabilities and financial assets (mainly cash and cash equivalents and receivables from deposits). The improvement in the net financial position is attributable in particular to the high cash flows from operating activities.

Contingent liabilities and other financial obligations

Contingent liabilities as at the reporting date totalled € 28.4 million and were therefore € 1.2 million higher (previous year: € 27.2 million).

There are no other obligations and commitments beyond the reporting date. Further financial obligations arise only within the normal scope from purchase commitments amounting to € 47.9 million (previous year: € 27.9 million).

Net Assets

Around 32.4 % of funds is attributable to non-current assets (previous year: 31.9 %). Intangible assets and property, plant and equipment with a historical cost of € 1,849.0 million (previous year: € 1,711.0 million) have carrying amounts of € 745.8 million (previous year: € 677.9 million). Total intangible assets fell from € 75.7 million in the previous year to € 73.6 million.

Right-of-use assets for leases (€ 57.7 million) are up by € 10.8 million on the prior-year level (€ 46.9 million). In the reporting year, a lease for a production building in the USA was extended and a new lease was concluded for an administration and warehouse building in Norway.

Property, plant and equipment increased from € 602.2 million to € 672.2 million as a result of capital expenditure (€ 132.4 million) in excess of depreciation of € 67.7 million. Currency translation effects had a positive impact of € 6.5 million.

The carrying amount of financial assets, investments accounted for using the equity method and non-current other non-financial assets was € 44.6 million.

Assets

€ millions	31 Dec. 2024	31 Dec. 2023	Percentage change
Non-current assets			
Intangible assets	73.6	75.7	2.7
Right-of-use assets	57.7	46.9	22.9
Property, plant and equipment	672.2	602.2	11.6
Non-current financial assets	1.9	1.2	55.8
Other non-financial assets	11.0	7.7	42.8
Investments accounted for using the equity method	31.7	24.5	29.4
Deferred tax assets	81.8	94.0	13.0
	929.9	**852.3**	**9.1**
Current assets			
Inventories	764.8	748.4	2.2
Contract assets	56.9	59.0	3.5
Trade receivables	605.4	554.6	9.2
Other financial assets	89.9	70.9	26.8
Other non-financial assets	51.7	44.3	16.7
Cash and cash equivalents	369.3	340.4	8.5
	1,938.0	**1,817.5**	**6.6**
	2,867.9	**2,669.8**	**7.4**

Further information is provided in Section IV. Balance Sheet Disclosures in the Notes to the consolidated financial statements.

At € 31.7 million, the investments accounted for using the equity method were up € 7.2 million on the previous year's level (€ 24.5 million).

Deferred tax assets fell by € 12.2 million to € 81.8 million (previous year: € 94.0 million).

Inventories amounted to € 764.8 million (previous year: € 748.4 million) so that the figure recognised was € 16.4 million higher. The change is due to the higher order volume, with the 2.2 % increase in inventories being lower overall than that of total output of operations (4.6 %).

Contract assets fell slightly from € 59.0 million in the previous year to € 56.9 million.

Trade receivables increased from € 554.6 million to 605.4 € million due to the increase in sales revenue, particularly compared with the fourth quarter of the previous year.

Other financial assets amounted to € 89.9 million and were therefore € 19.0 million higher than in the previous year (€ 70.9 million), mainly attributable to € 20.2 million higher cash investments with a term of more than three months. Other non-financial assets amounted to € 51.7 million, up € 7.4 million on the prior-year level (previous year: € 44.3 million). This increase is attributable to slightly higher prepaid expenses.

Cash and cash equivalents accounted for around 12.9 % of assets, totalling € 369.3 million (previous year: € 340.4 million). The reasons for the increase are explained in the Liquidity section of the management report.

Overall, total assets rose by 7.4 % to € 2,867.9 million.

Equity

KSB Group equity amounts to € 1,335.4 million (previous year: € 1,216.9 million). This includes KSB SE & Co. KGaA's subscribed capital of € 44.8 million as in the previous year. The capital reserve remains unchanged at € 66.7 million. Revenue reserves increased by a total of € 92.1 million. The net profit for the year of € 146.8 million had a particular impact in this context. The remeasurement of defined benefit plans in the amount of € 14.8 million (€ 10.4 million after taxes) likewise led to an increase in equity.

Dividend payments to shareholders of KSB SE & Co. KGaA of € 45.8 million were € 11.4 million higher than in the previous year (previous year: € 34.4 million). Dividends amounting to € 13.9 million were distributed to non-controlling interests, € 7.6 million more than in the previous year (€ 6.3 million).

46.6

Equity ratio in percent

Equity and Liabilities

€ millions	31 Dec. 2024	31 Dec. 2023	Percentage change
Equity			
Subscribed capital	44.8	44.8	–
Capital reserve	66.7	66.7	–
Revenue reserves	981.1	889.0	10.4
Equity attributable to shareholders of KSB SE & Co. KGaA	1,092.5	1,000.4	9.2
Non-controlling interests	242.9	216.5	12.2
	1,335.4	**1,216.9**	**9.7**
Non-current liabilities			
Deferred tax liabilities	9.7	9.9	1.9
Provisions for pensions and similar obligations	489.6	496.1	1.3
Other provisions	12.5	15.7	20.7
Financial liabilities	37.8	29.0	30.6
	549.5	**550.6**	**0.2**
Current liabilities			
Other provisions	122.5	120.8	1.4
Financial liabilities	20.8	26.1	20.1
Contract liabilities	214.4	202.6	5.8
Trade payables	356.7	324.7	9.9
Other financial liabilities	35.1	27.7	27.0
Other non-financial liabilities	201.4	181.8	10.8
Income tax liabilities	32.0	18.6	71.5
	983.0	**902.3**	**8.9**
	2,867.9	**2,669.8**	**7.4**

Further information is provided in Section IV. Balance Sheet Disclosures in the Notes to the consolidated financial statements.

Currency translation effects led to a gain of € 23.0 million in the reporting year (previous year: loss of € 33.4 million). The revenue reserves include the proportion of earnings after income tax attributable to KSB SE & Co. KGaA shareholders, at € 118.1 million (previous year: € 152.3 million). Out of total equity, € 242.9 million (previous year: € 216.5 million) is attributable to non-controlling interests. The equity ratio increased further to 46.6 % (previous year: 45.6 %).

The non-controlling interests mainly relate to the PAB subgroup and the following companies: KSB Limited, India, and KSB Shanghai Pump Co., Ltd., China. The PAB subgroup comprises Pumpen- und Armaturen-Beteiligungsgesellschaft mbH, Frankenthal, and its US subsidiaries.

Inflation and exchange rate effects

Of the Group’s consolidated companies, the annual financial statements of the Argentinian and the Turkish company had to be adjusted for the effects of inflation. The net loss from the monetary depreciation of the affected monetary assets and liabilities to be taken into account under IAS 29, amounting to € 12.6 million (previous year: € 6.9 million), is included in the income statement under other finance expense within finance income / expense.

The difference of € +23.0 million (previous year: € -33.4 million) from the currency translation of the financial statements of consolidated companies that are not prepared in euro was taken directly in equity.

Liabilities

The largest item under liabilities continues to be pension provisions, which fell by € 6.5 million from € 496.1 million to € 489.6 million.

Higher interest rates account for this reduction. This effect was reported in actuarial losses at € -14.8 million (previous year: € +39.4 million). Obligations for current pensioners and vested benefits of employees who have left the company account for about 50.0 % of the amount recognised in the balance sheet. The rest is attributable to defined benefit obligations for current employees.

Non-current financial liabilities increased by € 8.8 million year on year to € 37.8 million (previous year: € 29.0 million). These are mainly leasing liabilities.

Other non-current and current provisions remained largely constant, at € 136.5 million in 2023 compared with € 135.0 million in 2024. Provisions for warranties and penalties which increased by € 9.9 million were largely offset by a € 7.4 million decrease in provisions for expected losses.

Current liabilities rose overall by € 80.7 million to € 983.0 million compared with € 902.3 million at the end of 2023. The share of current liabilities relative to total equity and liabilities rose marginally to 34.3 % (previous year: 33.8 %).

Current financial liabilities were € 5.3 million lower than in the previous year (€ 20.8 million, previous year: € 26.1 million). This is attributable to the € 7.2 million increase in financial liabilities to credit institutions.

Contract liabilities increased from € 202.6 million in the previous year to € 214.4 million. This is due in particular to higher advance payments of € 11.8 million.

Trade payables were up by € 32.0 million to € 356.7 million (previous year: € 324.7 million).

Other non-financial liabilities increased by € 19.6 million, above all due to higher personnel liabilities.

Summary of the Performance in the Financial Year

The significant increase in order intake from € 2,959.5 million to € 3,114.0 million placed it within the forecast range between € 2,800 million and € 3,150 million. KSB is very satisfied with the order intake achieved in the reporting year. The figures for order intake in the Valves and SupremeServ Segments significantly rose and thus exceeded the previous year's forecast. The Pumps Segment reported a considerable increase instead of the anticipated considerable rise. A slight increase was forecast for the Valves Segment, while KSB likewise anticipated slight growth in the KSB SupremeServ Segment.

The forecast for sales revenue provided in the 2023 Annual Report, which was expected to be in a range between € 2,700 million and € 3,050 million, was confirmed. The sales revenue achieved of € 2,965.2 million (previous year: € 2,819.0 million) is very satisfactory. The Pumps Segment reported slight growth contrary to the predicted significant increase. For the Valves Segment, the forecast significant to strong increase of 10.3 % was confirmed. The KSB SupremeServ Segment recorded significant growth instead of a moderate increase.

The forecast for EBIT set out in the 2023 Annual Report, a range of € 210.0 million to € 245.0 million, was met in the 2024 financial year with EBIT of € 244.2 million. EBIT in the Pumps Segment was expected to show tangible growth in the financial year, but declined significantly instead. The strong increase in EBIT forecast for the Valves Segment was achieved. The KSB SupremeServ Segment, for which KSB predicted a slight to tangible growth, more than compensated for the decline in the Pumps Segment with strong growth. Detailed information on the reasons for the EBIT performance is provided in the "Earnings before finance income / expense and income tax (EBIT)" section.

The assumption made in the previous year's financial statements that global economic growth would be decisive for the development of the key indicators has largely materialised. Sales revenue and order intake also showed noticeable growth as predicted. In terms of order intake, the Asia / Pacific market proved to be a key driver of this development, while the Group was able to achieve slight growth in the Region Europe. For sales revenue, the strongest growth predicted for Europe did not materialise, but the Region Asia / Pacific grew as expected. The KSB SupremeServ Segment was largely responsible for EBIT growth, instead of the Pumps Segment. The company cannot confirm the EBIT growth expected for the Region Europe. However, the Region Asia / Pacific grew sharply as expected. Against this background, the Management of the KSB Group is very satisfied with business performance in the reporting year.

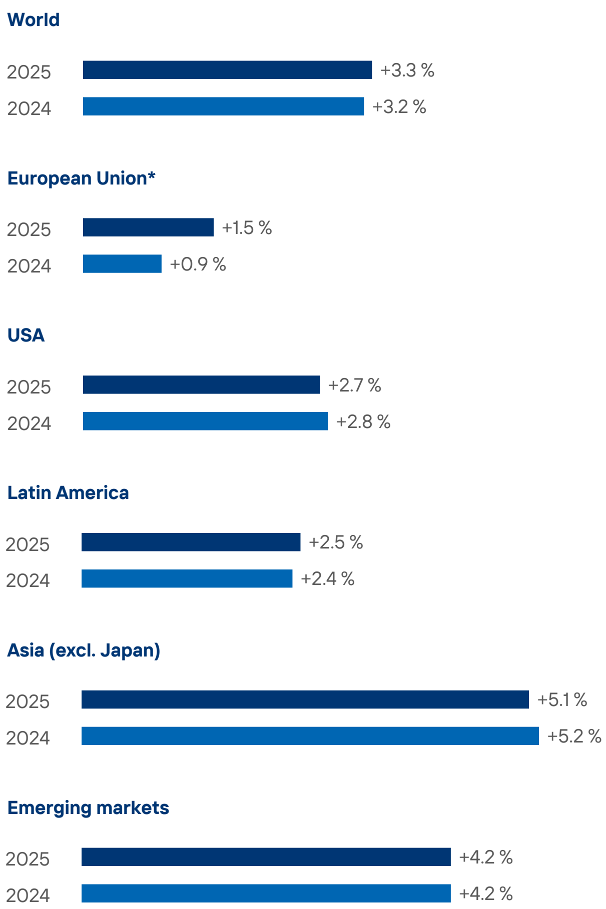
KSB continues to have a healthy financial basis for the future.

Report on Expected Developments

The International Monetary Fund's (IMF) latest forecast for global economic growth in 2025 was 3.3 %, which is only marginally above the growth rate for the previous year. Economic growth is expected to remain weak also in the medium term. Without timely political intervention and a boost from new technologies, it is likely to remain well below its pre-pandemic historical average in the medium term. Inflation is expected to fall further, partly due to the delayed effects of the tighter monetary policy that has been implemented.

However, the downside risks to this forecast prevail and have gained significance. In particular, geopolitical risks have increased. The worsening of regional conflicts in the Middle East or the war in Ukraine could disturb trade and lead to a renewed rise in prices for food, energy and other commodities. Furthermore, the intensification of protectionist measures could exacerbate tensions in global trade, disrupt global supply chains and have a negative impact on growth prospects also in the medium term. Another risk to global growth is the expansion of the Chinese economy, which is significantly influenced by further developments in the property sector.

Gross domestic product growth



Source: International Monetary Fund (January 2025)

* Source: EU Commission (November 2024)

The IMF is projecting an overall economic growth rate of 4.2 % for the emerging markets and developing countries.

At 1.9 % in 2025, expected economic growth in the industrialised nations is slightly above the previous year's level. Growth expectations in the USA are at 2.7 %. The forecast for the Canadian economy was lowered slightly to 2.0 %.

Economic growth in the European Union is expected to pick up only slightly to 1.5 %. The most recent forecast for Germany was 0.3 % and for Italy 0.7 %. In France, economic growth is anticipated at 0.8 %. The forecast for Spain is significantly higher at 2.3 %. Economic growth of 1.6 % is forecast for the UK.

For South Africa, the IMF expects economic growth of 1.5 %. At 3.3 %, Saudi Arabia's economic growth is projected to significantly exceed the prior-year level.

In Asia, economic growth is expected to be down slightly overall from the previous year. The most recent forecast for China of + 4.6 % is well below the pre-pandemic level. The IMF anticipates a consistent growth rate of + 6.5 % for India in the current year.

A growth rate of 4.6 % is expected for the ASEAN countries, which also include important sales markets for KSB.

Overall growth in the Latin American countries is anticipated to be at 2.5 %. Economic growth of 2.2 % is expected in Brazil, significantly below the previous year's level.

With regard to the capital goods industry, a further fall in interest rates and rising real income should have a positive impact on investment activities over the course of 2025. VDMA expects global machinery sales revenue to slightly grow in 2025 by 1.0 % in real terms. With the exception of Italy, where sales revenue is expected to decline by 1 %, and Germany, where sales revenue is to fall by 2 %, sales revenue growth of between 1 % and 3 % is forecast. The strongest increase in sales revenue of 5 % is predicted for the Indian mechanical engineering market. In China, sales revenue is expected to grow by 2 %. A slight increase of 1 % is anticipated for the USA.

With regard to the specific market for liquid pumps, VDMA forecasts nominal sales revenue growth of 3 % for German manufacturers in the current year. It expects sales revenue for industrial valves to stagnate. Sales revenue from building services valves is to grow by 2 % in nominal terms.

Summary of Expected Development

For the 2025 financial year, KSB expects to achieve the key financial performance indicators presented in the table below:

Expected development

€ millions	Actual 2024	Forecast 2025
Order intake	3,114.0	3,100 – 3,400
Sales revenue	2,965.2	2,950 – 3,150
EBIT	244.2	235 – 265

If no specific ranges are given in the Report on Expected Developments section with regard to the description of changes, KSB uses the following terminology. The verbal description “stable, at prior-year level, at previous year's level” corresponds to a change of ± 0.0 to 0.9 %, while “slight, moderate” means a change of ± 1.0 to 4.9 % and “significant, tangible, noticeable” means a change of ± 5.0 to 10.0 %. A change of more than ± 10 % is described as “sharp, strong”. This definition of the ranges, which was changed compared with the previous year, only applies to the Report on Expected Developments section in the current financial year and is used throughout the 2025 management report.

KSB expects to further increase order intake, sales revenue and EBIT in the 2025 financial year. Significant growth in order intake is anticipated for the Regions Asia / Pacific, Americas and Middle East / Africa. By contrast, KSB forecasts slight growth in order intake in Europe, its largest market. A tangible increase in sales revenue is scheduled for the Region Asia / Pacific, which will be the largest driver of sales revenue growth in absolute terms. The Group expects higher EBIT, largely from the Regions Americas and Asia / Pacific. For the Regions Asia / Pacific and Middle East / Africa, the Group is anticipating strong growth.

For the Pumps Segment, which achieved an order intake of € 1,658.6 million in the reporting year, the Group anticipates a significant increase in the 2025 financial year. This growth will be supported mainly by the project business. By contrast, KSB anticipates a moderate increase in order intake in the Valves Segment, which amounted to € 407.4 million in the reporting year. The Group is forecasting strong growth for the KSB SupremeServ Segment in 2025, with an order intake of € 1,048.1 million in the reporting year.

The Pumps Segment contributed € 1,550.5 million to the Group’s consolidated sales revenue in the reporting year. KSB anticipates a moderate increase in this Segment for the 2025 financial year. It expects stable development in 2025 for the Valves Segment, which achieved sales revenue of € 398.8 million in the reporting year. The KSB SupremeServ Segment contributed € 1,015.8 million to consolidated sales revenue. KSB forecasts significantly higher sales revenue for this Segment.

The Pumps Segment generated earnings before finance income / expense and income tax (EBIT) of € 40.5 million and the Valves Segment achieved € -0.8 million in the 2024 reporting year. For the 2025 financial year, KSB is planning to achieve EBIT matching the previous-year’s level. In the KSB SupremeServ Segment, which contributed € 204.5 million to EBIT in the reporting year, KSB expects a significant increase in EBIT.

The forecast may be influenced in particular by the ongoing geopolitical tensions, which are explained in more detail in the Opportunities and Risks Report.

Forward-looking Statements

This report contains forward-looking statements and information that are based upon the assumptions of Management. They express current forecasts and expectations with regard to future events. As a result, these forward-looking statements and information are exposed to risks and uncertainties that lie outside the Management’s sphere of influence. KSB wishes to point out that actual events or results may differ materially from the forward-looking statements and information presented, if one or more of the following opportunities or risks, or other opportunities, risks and uncertainties should materialise, or if the assumptions underlying the statements prove to be inaccurate.

Opportunities and Risks Report

As an organisation that operates throughout the world, the KSB Group is exposed to macroeconomic, sector-typical, financial and company-specific risks. The risk policy is designed to ensure the sustainable and profitable growth of the Group. The KSB Group aims to reduce the risks associated with its business and where possible to avoid them completely. At the same time its global alignment and extensive product range offer opportunities. This includes those opportunities that arise on the basis of research and development activities, but also any that are linked to the quality and cost effectiveness of products. In addition, KSB's competitive position is being strengthened by the optimisation of the global sales and production network. In this context, opportunities are constantly examined to further increase KSB's global presence by establishing new companies or expanding KSB SupremeServ sites and through acquisitions. Customer focus is the key principle in this context.

The Group defines both opportunities and risks as possible future developments or events that may lead to lead to departures from forecasts or targets. The departure can be both positive and negative. In order to manage the varied opportunities and risks appropriately and effectively, the Group aligns its actions accordingly and transfers responsibility to the managers of the relevant departments. In doing so, Controlling, Legal, Finance and Accounting as well as Internal Audits perform important monitoring tasks. The following section describes the processes related to the Group-wide opportunities and risk management system, which is based on the Auditing Standards 340 (IDW PS 340 n. F.) and 981 (IDW PS 981) issued by the *Institut der Wirtschaftsprüfer* [Institute of Public Auditors] in Germany.

Risk Management System

KSB has implemented a Group-wide risk management system for identifying and assessing relevant risks in the different areas of responsibility and reporting these to Group headquarters. The risk management process of the KSB Group consists of the successive phases of identification, assessment, management, control, documentation and communication of risks. The six phases form a continuous and IT-based closed-loop system. This is documented in KSB's Risk Management Manual, as well as the management responsibility and the description of all relevant tasks. In this manual, KSB also formalises the risk strategy that was specified in detail in 2023.

The Managing Directors of KSB Management SE are responsible for determining, implementing and releasing the risk management system that is effective throughout the Group. The risk strategy is reviewed regularly to ensure it is oriented on the Group strategy and meets the regulatory requirements. Changes to the risk strategy require the approval of the Managing Directors of KSB Management SE.

KSB's risk strategy serves as a basis for evaluating business decisions and is based on normative guiding principles. These guiding principles include, among other things, a clear commitment to promoting an interdisciplinary and Group-wide risk culture, efficient and time-critical risk communication processes and a stakeholder-centred focus on value creation and preservation. These qualitative criteria are supplemented by a quantitative approach to analysing the risk-bearing capacity.

KSB defines the risk-bearing capacity as an aggregated risk potential that can be absorbed over the next 24 months without posing a threat to the business continuity of KSB. A corresponding concept for risk-bearing capacity, taking into account the overall risk strategy, was established within the Group. It specifically examines whether and to what extent developments could jeopardise the continued existence of the KSB Group with regard to equity and / or liquidity position.

The regular derivation of the risk-bearing capacity and its communication to management is an integral process of the risk management system and is the responsibility of the Risk Manager. Changes require the approval of the Managing Directors of KSB Management SE. If the analysis of the risk-bearing capacity reveals a need for additional requirements for risk provisioning, equity or liquidity, further measures are defined to ensure that adequate account is taken of the KSB Group's risk-bearing capacity in accordance with its risk strategy. In addition to risk-bearing capacity, KSB defines risk appetite as part of the risk strategy as a level of risk that it is prepared to bear over a certain period of time.

KSB uses risk management software to support these analytical processes and to enhance the efficiency and effectiveness of risk management. This supports the systematic identification, assessment, management and monitoring of Group-wide risks and enables the precise and immediate recording of risk information.

Managers are encouraged to take timely action to define and implement measures to limit or avoid damage that may result from the occurrence of risk events. All corporate and central functions and Group companies, including Group companies that are not included in the scope of consolidation of the fully consolidated companies, are included in the risk management system. The responsible managers are required to supply their relevant key business and financial indicators each month. As well as creating forecasts during the year on business performance, they also report twice a year to the central Risk Manager on all recognised risks in the categories of market and competitive risks, technological risks, project- and product-related risks, financial risks, procurement risks, ESG (Environmental, Social and Governance) risks, other business-specific risks and long-term strategic risks in a bottom-up process. The monitoring period was divided into four cycles. In the first cycle, the risks are to be reported for the following financial year or, as part of the risk assessment during the course of the year, for the remainder of the financial year. Accordingly, the second cycle covers the risks that are seen within a time period of up to 24 months. A further period was added to the risk assessment in the reporting year due to the future requirements of the Corporate Sustainability Reporting Directive (CSRD). Thus, the third period no longer covers longer-term risks as before, but medium-term risks in the period from 24 months to five years. Long-term risks are recorded in a fourth period of more than five years. This is limited by the validity period of the strategy, which currently runs until 2030.

In addition, regular management reporting on day-to-day business-related risk developments and issues is provided by the respective corporate and central functions to the Managing Directors of the KSB Group. The aim is to ensure that, from a management perspective, such risks are addressed with in an action-oriented manner and are continually tracked between the reporting dates.

The regular identification and updating of risks in all the Group companies and in the respective corporate and central functions ensure that risk awareness within the KSB Group remains at a high level across the board. A distinction is made between qualitative and quantitative risks.

Qualitative risks are developments that cannot or cannot yet be thoroughly quantified due to a lack of precise information. However, to be able to evaluate them for further analysis steps, the scope is assessed using defined evaluation intervals. The mean value of these evaluation intervals is used to determine the significance of these risks for the Group.

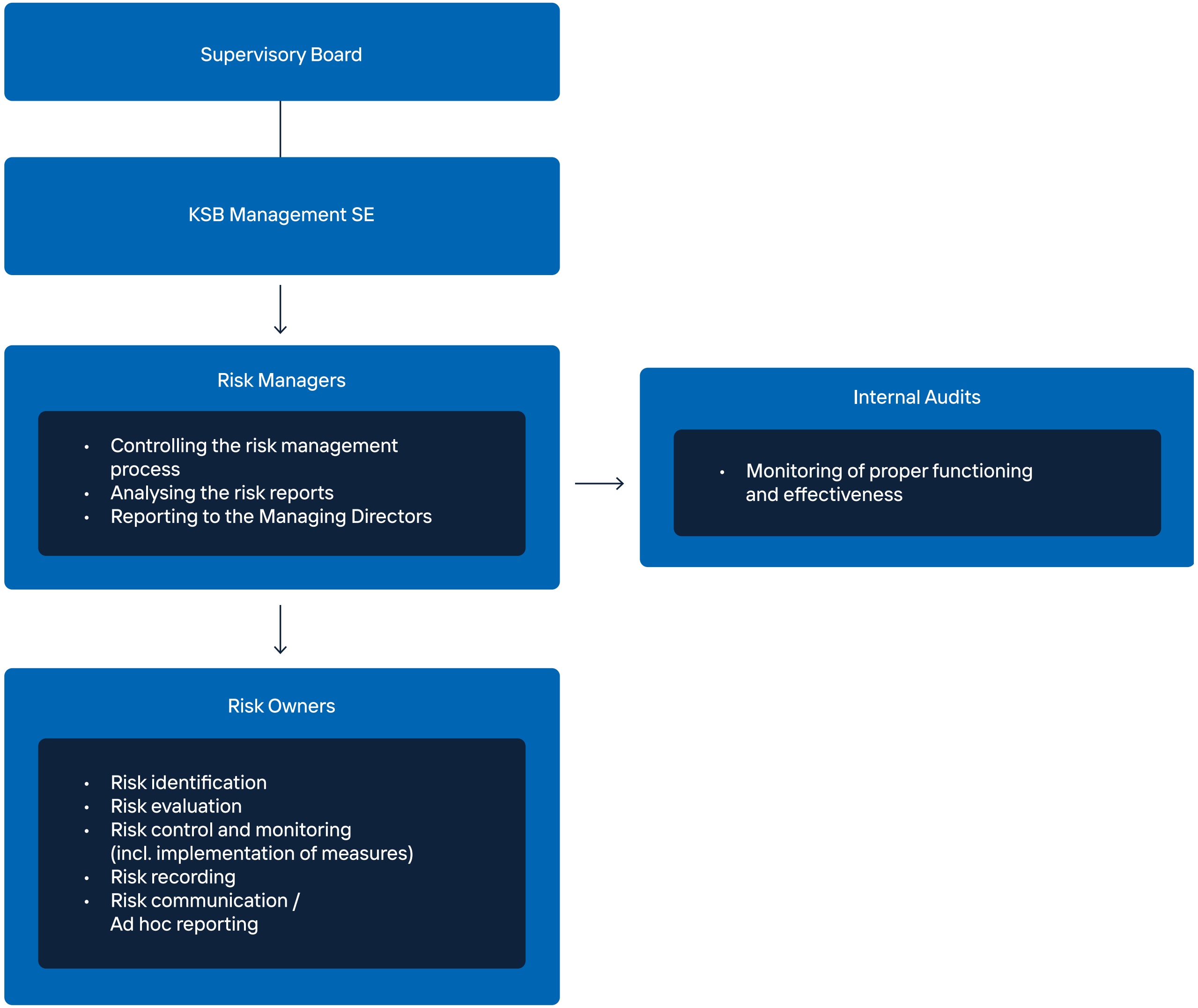
Quantitative risks are risks for which the potential monetary impact on the earnings and/or liquidity of the KSB Group can be estimated. They are evaluated taking into account the probability of occurrence in combination with the potential amount of loss. The scope or amount of loss describes the potential influence of the individual risk on the key indicator of earnings before finance income / expense and income tax (EBIT) or liquidity of the KSB Group or the respective Group company. The amount of loss is assessed on the basis of three scenarios: worst case, most likely case and best case. A distinction is also made between a gross method before taking into account any corrective action that has been taken, and a net method after taking into account such measures. Risk assessment at KSB covers all relevant risk areas for internal and external risks arising from the KSB business and the Group's inherent risk profile. In this context, gross impacts on EBIT of all individual and similar risks of € 500 thousand or more before countermeasures are to be reported throughout the Group at the earliest possible time. These impacts are to be recorded regardless of how the probability of occurrence of the risk is assessed. Purely cash-effective risks are reported as from a gross impact of € 5.0 million or more (in the most likely case).

KSB defines as material all risks or aggregate risks, for which the product of the probability of occurrence and the most probable amount of loss, after deducting the amount of countermeasures, is greater than € 5.0 million. This applies to qualitative and quantitative risks.

The bodies to which specific responsibilities and competencies were assigned in KSB's risk management system in the reporting year are presented and explained in the diagram.

→ **Risk Management System of the KSB Group**

Risk Management System of the KSB Group



As the legal representative, KSB Management SE assumes overall responsibility for risk management. KSB Management SE reports to the Supervisory Board of KSE SE & Co. KGaA via its Managing Directors during regular Audit Committee meetings and is monitored by the latter. The Managing Directors are supported by the Chief Compliance Officer and the Group Finance and Accounting department of KSB SE & Co. KGaA. The latter coordinates the risk management process at Group level and checks all risks reported for relevance to the preparation of financial statements. This ensures that there is a systematic link with the Group accounting process. A Risk & Opportunity Review Panel was established in the reporting year, with a particular focus to the future requirements of the CSRD. The aim of this panel is to continuously improve KSB's risk management system. This is achieved by identifying all material risks and opportunities, critically assessing the reported top risks and opportunities, and reviewing the appropriateness and effectiveness of the allocated actions. The panel consists of managers from selected functional areas who have the necessary expertise to review the risk and opportunity reporting with regard to the points mentioned and thus ensure the completeness and plausibility of the disclosures. The Managing Directors, the Administrative Board and the Supervisory Board's Audit Committee receive two risk reports per financial year. These reports include all the risks classed as material that exceed pre-defined threshold values individually or collectively, taking into consideration any corrective action that has been taken (net risk), as well as further significant developments. The net method enables the Managing Directors to focus specifically on the reported risks. Additionally, the risk-bearing capacity of the KSB Group is regularly monitored on the basis of the overall risk position, which is developed by aggregating all the risks recorded. This makes it possible to identify early on any developments that could threaten business continuity in the period under review. Particularly time-critical risks and new or changed risks that are classified as significant are to be reported by the responsible managers to the Risk Managers on an ad hoc basis. They review the information and pass it on to the head of Finance, who in turn communicates it to the Managing Directors of KSB Management SE. Opportunities are also taken into account in KSB's current risk management system and are reported in line with the specifications for the risks.

With regard to the use of financial instruments, KSB makes use of additional risk identification, assessment, management and communication. The central Finance department is responsible for this task, which is described in detail elsewhere in this section under Risk Reporting on the Utilisation of Financial Instruments.

Compliance risks are dealt with by the Chief Compliance Officer, who is assigned to the Legal and Compliance, Patents and Trademarks staff function. The Chief Compliance Officer is supported by the members of the Compliance Committee and the Compliance Managers of the individual companies.

Relevant risks from the two aforementioned corporate and central functions as well as other specialised corporate and central functions, such as Strategy, Sales or Purchasing, are transferred to and integrated within the KSB Group's risk management system, thus systematically ensuring a holistic overall risk inventory. The Internal Audits department is integrated into the risk management system as part of the internal control system. When planning audits, it prioritises areas according to potential risks and is provided with all the necessary information. The auditors ensure that all audited units adhere to the applicable guidelines, actively participate in the risk management system, and control or avoid their risks. Information obtained by Internal Audits on both the identified risks and the corrective action initiated in response forms an integral part of the reporting to the Managing Directors and to the Audit Committee of the Supervisory Board. The risk management system is updated promptly if need be, for example in the event of relevant legal or organisational changes. In addition, the auditors examine the early risk detection system within the scope of the audit of the annual financial statements, establishing that it is in place and checking that it is fit for purpose. Relevant basic documents on risk management are archived in accordance with the statutory applicable deadline and in the statutory required formats.

Internal Control System and Risk Management System with Regard to the Group Accounting Process

The accounting-related internal control system (ICS) contributes towards ensuring proper financial reporting. The aim is to ensure that the consolidated financial statements and group management report comply with all relevant regulations. Key elements of the ICS are – as well as the risk management system described above – guidelines and regulations which include standard accounting and measurement policies. They must be applied to the full extent by all Group companies. There is a segregation of duties and a double-check system is in place. This is ensured by the audits carried out by the Internal Audits department.

In addition, Accounting and Controlling carry out regular analytical plausibility checks of the financial information requested from the companies as well as actual / budget variance analyses. This enables KSB to identify significant changes early on, which are examined for accounting and measurement discrepancies. The resulting findings are then discussed at management level.

The responsibility for Group accounting lies with the employees in the central Accounting KSB Group department. The services of qualified external reviewers are employed to evaluate complex issues (such as the calculation of pension obligations) as part of the preparation of the financial statements.

Binding schedules and guidelines apply to accounting within the KSB Group and to accounting at each individual subsidiary. The accounting and measurement methods that must be applied to compile the consolidated financial statements are defined in writing in a manual that is updated and revised on a continual basis. It includes guidelines for posting intra-Group transactions. New accounting principles and other official announcements are continually analysed with regard to their relevance and impact on the consolidated financial statements. Guidelines and manual are adapted where necessary and any changes communicated immediately to the companies. Group Accounting likewise monitors compliance with requirements. This reduces the risk of compiling inappropriate financial statements or failing to publish them by the defined deadlines.

The financial statement information for all Group companies is automatically processed using certified and tested standard consolidation software. Systematic checks are implemented to help validate the data. The sequence of the processing steps is strictly specified through the use of the consolidation monitor within the IT system. This ensures the correct processing of data.

To ensure a seamless and accurate accounting process, only employees who have the appropriate specialist know-how are assigned to this task. These employees are trained on a regular basis to make sure that their expert knowledge remains up to date.

Access authorisations have been defined for the accounting-related IT system. This protects the data against unauthorised access as well as improper usage and modification. In addition, the checks at many stages ensure the quality of processing and help to limit operational risks.

Individually Assessed Opportunities and Risks

The categories presented below include the net risks classified as material and other net risks that are relevant to the Group as well as opportunities for the 2025 financial year. If risks are not flagged as material, they are considered to be of secondary importance. Unless otherwise stated, the following risks relate to all Segments.

Markets / Competition

The forecast for the 2025 financial year is based on the expectations and assumptions regarding general economic performance and the development of global GDP as described in the Report on Expected Developments.

Risks arise in particular through current geopolitical uncertainty resulting from trade conflicts and numerous global flashpoints. In particular, KSB considers the possible escalation of the China-Taiwan conflict to be a material risk. Likewise, the conflicts in Ukraine and the Middle East could have negative impact on the KSB Group's business, in terms of their duration and possible escalation. There are also risks with regard to the introduction of protectionist measures by individual countries and possible reactions to these. They could have a significant impact on economic relations and trade links. The exact impact on the global economy and thus on the Group's business activities cannot be estimated at present and further escalations cannot be ruled out.

The risk of fluctuations in the economy and demand decreased in the reporting year and is no longer among the Group's relevant net risks.

To make use of potential opportunities arising from strategic mergers or acquisitions, KSB continuously monitors the current market situation as well as forecast developments. This allows it to expand market shares or tap into new areas of application.

Projects / Products

Regular market analysis and monitoring, together with continuous quality management, generally minimise the risk that products will become technically obsolete, are offered at prices not acceptable in the market or that market developments are missed.

In KSB's business, there are special requirements when it comes to the processing of technically complex large-scale projects with long contract terms. These typically involve potential risks. There may be cost overruns, tighter import and export regulations or sanctions, staff shortages, technical difficulties or quality problems – including potential contractual penalties – that reduce the margins. KSB therefore continuously trains its employees in project management. Specialist knowledge is to enable them to identify the risks associated with longer-term orders at an early stage. In addition, project managers are provided with appropriate management tools. Decisions are linked to clearly structured approval processes. Furthermore, there is central monitoring of projects exposed to risk across all KSB companies.

There are also technical and financial risks to orders with newly designed products. The aforementioned risks are limited so that intermediate steps for development work are defined and partial solutions are subjected to assessments. Commercial risks are minimised by drafting appropriate contractual clauses. KSB's goal is to ensure that advance payments and collateral provided by customers are structured in such a way that they at least cover the costs incurred. KSB reports contingent liabilities of € 1.8 million (previous year: € 1.8 million) for risks that result from warranty obligations and contractual penalties risks and that were not covered by corresponding provisions. Of this amount, € 0 million is attributable to KSB SE & Co. KGaA, as in the previous year. Beyond this KSB sees no material residual risk (net risk).

Finance / Liquidity

The Group's international focus is associated with exchange rate risks. Besides the euro, the most important currencies for KSB are the US dollar, the Indian rupee, the Brazilian real and the Chinese yuan. The liquidity risk arising from foreign currency transactions is hedged by using derivative financial instruments. The hedges are based on fixed contracts and on forecasts about future payment streams, the occurrence of which is uncertain.

Economic downturns or newly emerging crisis may adversely affect the financial situation of customers. Delayed payments and defaults on receivables as a result of this can burden the earnings. The same effect might occur if the foreign exchange regulations become stricter for individual countries. KSB counters this by means of a strict receivables management system and intensive customer contacts.

KSB SE & Co. KGaA is exposed to the risk of potential non-repayment of loans to subsidiaries in geopolitically unstable regions. A current example is the Russia-Ukraine conflict, which has led to considerable economic sanctions and restrictions. These measures can result in payments not being allowed to leave the country concerned, which makes the repayment of loans significantly more difficult or even impossible. For the Group, on the other hand, there is a risk of losing control over the Russian subsidiary and its investments.

As regards tax matters, the global orientation of the activities of the KSB Group must be taken into consideration. Based on its operative activities in numerous countries with varying tax laws and administrative interpretation, differentiated assessment is required for measuring tax obligations of every jurisdiction. Uncertainty could arise due to different factual interpretations by taxable entities on the one hand and local finance authorities on the other, as well as due to unclear legislative texts. These may come to light during audits. By cooperating closely with external local tax specialists, KSB counteracts the risk of having to pay back taxes. As KSB continually monitors unclear issues, it can generally classify the probability of occurrence. Should a need for subsequent payment arise, the corres-ponding tax liabilities are recognised in good time. In the Notes to the consolidated financial statements, KSB also reports contingent liabilities of € 0.8 million (previous year: € 1.1 million) from risks associated with income taxes. Of this amount, € 0 million is attributable to KSB SE & Co. KGaA, as in the previous year. € 14.1 million (previous year: € 13.4 million) are reported as contingent liabilities for risks from other tax matters. Of this amount, € 0 million is attributable to KSB SE & Co. KGaA, as in the previous year.

Procurement

Commodity prices and procurement times are subject to strong market-related fluctuations. An increase in costs for raw materials and components can have a negative impact on the earnings situation if the cost increases cannot be compensated for or passed on to customers. Ineffective supply chains, defined by supply bottlenecks and capacity restrictions, can lead to production bottlenecks and delays in delivery, and adversely affect KSB's business activities. In its procurement strategy KSB seeks to prevent dependencies on suppliers and thereby counter any bottlenecks and delays. If local conditions mean that it is impossible to ensure sufficient diversification in this regard, KSB will make use of additional foreign business partners.

New regulations, such as the introduction of new certification standards for imported products in certain regions, pose a risk for KSB. Such changes in the legal situation can lead to disruptions in supply chains and consequently in business processes if the corresponding requirements cannot be implemented in time. To minimise such risks, KSB devises possible solutions at an early stage.

Technology / Research and Development

It is essential to future success to have a product and service range that is suited to the market in terms of technology, price and delivery time. The changing needs of customers together with new standards and regulations – especially in promising markets – require the continuous development and improvement of products and services. The research and development required for their adjustment consumes significant financial and human resources. However, there is no guarantee of commercial success in the medium or long term

To avoid any negative impact on earnings, it is important to recognise the market-related or technical risks early on. To this end, the KSB Group is constantly updating the development process, which incorporates various control levels. As sales employees are regularly included in this process, risks arising from changes in markets or applications can be taken into account in good time in the evaluation.

Environmental, Social and Governance (ESG)

ESG – short for Environmental, Social and Governance – refers to a comprehensive set of standards covering environmental, social and governance aspects for assessing the Group's sustainable and ethical activities. KSB's business activities, primarily in the area of production, are subject to numerous environmental protection laws and regulations. Environmental damage of any kind (for example, groundwater contamination, renovation needed due to outdated construction materials or unpleasant odours arising from the use of chemicals) may result in costs not covered by insurance policies. Therefore, at all company sites officers monitor compliance with laws and regulations as well as with internal KSB rules. If KSB discovers any contamination, it sets aside provisions to be able to meet obligations for necessary remediation.

In markets with tightening environmental regulations, there is a risk that KSB products and its in-house or purchased services might give rise to infringements and that the necessary authorisation for the relevant business might be lost and KSB's reputation might be damaged as a result. Legal requirements or restrictions related to products, such as RoHS (Restriction of Certain Hazardous Substances according to EU Directive 2011/65/EU), may lead to a restriction. KSB assigns this risk, which was identified as material for the first time in the previous year, a lower significance in the current reporting year. This change in assessment is based on the assumption of reduced and gradual penalties. Nevertheless, KSB continues to closely monitor the current legal situation. Identified risks are addressed by continually adjusting the product design in order to be able to offer products that comply with market requirements. A change in rules on liability in environmental protection can also increase the risks for business success. As a member of national and international professional associations the KSB Group becomes aware of imminent changes in environmental law early on. The legal frameworks that are in place in its Operational Units are continually updated, enabling KSB to ensure that its employees always abide by the applicable law. This is monitored by external auditors as part of the management certifications.

In addition, KSB is exposed to risks from climate and natural hazards. In a first step, KSB evaluates its sites with regard to these risks, which include earthquakes, flooding, lightning strikes and wildfires. The occurrence of these risks would lead to disruptions in ongoing business operations at the respective sites. Sites identified to be exposed to risks based on this evaluation are examined in greater detail in relation to risks from climate and natural hazards, in order to develop and implement individual solutions. Basically KSB counters risks from climate and natural hazards by means of a differentiated production network. This facilitates a flexible response to breakdowns at production sites.

Investments in plant and machinery are made on the basis of resource efficiency and environmental and health protection in order to optimise energy costs throughout the entire use phase as well as to prevent any follow-on costs incurred through damage to the environment and/or to health.

To achieve its growth and profitability business objectives, KSB needs qualified employees at all locations, including technical specialists. Due to the demographic change in some countries, the competition for these and other highly skilled professionals is increasing, KSB counters this risk with demand-oriented measures, systematic human resources planning and international recruitment programmes.

Other potential risks associated with the activities of KSB's employees include dishonest conduct or violations of laws, which could damage the image of KSB. One risk, for example, is the possible discovery of cases of corruption, particularly at Sales and Purchasing, where there is regular contact with customers and suppliers. The occurrence of such a risk entails the threat of fines and exclusion from public procurement procedures. The KSB Group counters these risks and safeguards its reputation among customers by organising regular compliance training and through individual initiatives in critical regions.

Legal disputes cannot always be avoided within the framework of business activities. These risks are usually disputes arising from operative business, generally involving unclear warranty issues or labour law disputes. In some cases, the continuous further and new development of products can lead to similarities with competitors' products. KSB limits the risk of resulting legal dispute by submitting patent applications at an early stage of the product development. If as a result of these issues KSB expects negative effects on the success of its business with a probability of occurrence of more than 50 %, corresponding provisions are set aside, which cover not only the anticipated amount of loss, but also the costs of proceedings. In addition, KSB reports contingent liabilities in the amount of € 2.0 million (previous year: € 2.3 million) in the Notes to the consolidated financial statements, € 0 million of this is attributable to KSB SE & Co. KGaA (previous year: € 1.0 million).

KSB seeks to counter external fraud activities by raising awareness of its employees and through internal controls. At the same time, KSB continues to develop its compliance organisation. Maintaining its competitive advantage and protecting trade and business secrets is of considerable economic significance to the company. The company responds with specific requirements on conduct to take into account the different protection needs.

Other business-specific opportunities and risks – Information technology

The worldwide increase in threats to IT security and cyber crime entail a risk in terms of the security of systems and networks, as well as the confidentiality and availability of data. KSB plans to further expand IT security in the years ahead as part of a multi-year programme.

In principle, there is a risk that laws and regulations on the processing and use of personal data may be violated. Violations of data privacy provisions can lead to penalties with an impact on earnings. Process control and awareness-raising measures are designed to ensure compliance with data privacy requirements within the KSB Group.

The digitalisation of processes helps to make them transparent. KSB uses a process mining tool for this purpose. This innovative approach specifically demonstrates the company processes and identifies any weaknesses and where there is room for improvement. This forms the basis for the continuous development of the internal workflows from start to end of a process.

Strategic opportunities and risks

Strategic risks are the uncertainties and threats arising from strategic decisions and the business environment. They can impair the long-term performance and competitiveness of a company. They are closely linked with a company's long-term objectives, orientation and success. Strategic risks typically arise from the complexity and dynamics of the business environment. The occurrence of such risks can be far-reaching and impact a company's long-term growth, profitability and image, among other things. It is therefore crucial to recognise and evaluate strategic risks in order to take appropriate measures. The strategic risks presented here are long-term in nature and therefore mainly affect time horizons that extend beyond the following financial year.

As was already described in the Environmental, Social and Governance (ESG) section, tighter environmental regulations, which will only come into force in a few years' time, can have negative implications for KSB's business. They include, in particular, regulations in connection with per- and polyfluoroalkyl substances (PFAS). KSB counters these material risks by defining corresponding measures to identify and subsequently eliminate any violations.

If the continuous monitoring of the current market situation and forecast developments lead to acquisition plans, there is always a risk that these will fail before a contract is concluded. This can result in a loss of planned income within the scope of strategic planning.

Risk Report on the Utilisation of Financial Instruments

Central Finance Management in the KSB Group performs its duties within the framework of the guidelines laid down by KSB Management SE as the legal representative. The KSB Group bases the nature and scope of all financial transactions exclusively on the requirements of its business. It does not lend itself to business of a speculative nature. The aim is to ensure liquidity at all times and to finance activities under optimal conditions. In export business transactions, foreign exchange and credit risks are hedged. KSB continuously improves its receivables management methods with the goal of settling outstanding amounts by their due dates.

KSB is exposed to the following financial risks as a consequence of its business activities.

KSB is exposed to credit risk, which is defined as potential default or delays in the receipt of contractually agreed payments. KSB is also exposed to liquidity risk which is the risk that an entity will be unable to meet its financial obligations, or will be unable to meet them in full. In addition, KSB is exposed to market price risk. Exchange rate or interest rate changes may adversely affect the economic position of the Group. Risks from fluctuations in the prices of financial instruments are not material.

Foreign exchange hedges are used to reduce the risks from transactions involving different currencies. These are generally currency forwards, which KSB uses both for transactions that have already been recognised and for future cash flows from orders still to be processed. At year end, the notional volume of currency forwards used to hedge exchange rate risks totalled € 288.2 million (previous year: € 249.9 million). € 230.2 million of this is attributable to KSB SE & Co. KGaA (previous year: € 179.9 million). The hedged currency risk is mainly in US dollars. A global network of production sites in the local sales markets reduces potential currency risks.

All these risks are limited through an appropriate risk management system, defining how these risks are addressed through guidelines and work instructions. In addition, the current risk characteristics are continuously monitored and the information obtained in this way is provided to the Managing Directors and the Supervisory Board in the form of standardised reports and individual analyses.

For more information on the three risk areas and the impact on the balance sheet, see the Notes, Section VI. Additional Disclosures on Financial Instruments.

Overall Assessment of Opportunities and Risks

The assessment of the KSB Group's overall opportunity and risk situation is summarised in a consolidated appraisal. The overall risk situation for KSB, which is essentially measured in terms of value at risk, has increased strongly compared with the previous year. This is due in part to the new risks identified in the reporting year. Despite this increase, however, the value-at-risk remains within the risk appetite. This shows that KSB has sufficient financial resources to cover potential risks and ensure financial stability.

One of the KSB Group's material risks is the further escalation of current crises, in particular the China-Taiwan conflict. As in the previous year, Russia's war of aggression against Ukraine and the protectionist measures currently emerging in individual countries as well as the conflict in the Middle East are also of significance. The risk of rising prices of commodities and materials, which was still considered one of the biggest risks at the end of the previous year, has become much less significant due to price adjustments and better availability.

The risk management system in place as well as the related organisational measures allow KSB Management SE as the legal representative to identify risks in a timely manner and to take adequate measures. The focus of activities in 2025 will be on the material risks described above. On the basis of the risk management system established by the KSB Group, and taking into account the regulatory requirements (IDW PS 340 n. F.), the legal representative states that at the present time, according to the analysis of the KSB Group's overall risk position and risk-bearing capacity, no threat has been identified to business continuity.

Disclosures Relating to KSB SE & Co. KGaA (HGB)

Balance Sheet of KSB SE & Co. KGaA (HGB)

Assets

€ millions	31 Dec. 2024	31 Dec. 2023
Fixed assets		
Intangible assets	39.1	38.4
Property, plant and equipment	196.2	175.7
Financial assets	358.1	346.1
	593.4	**560.2**
Current assets		
Inventories	291.3	283.3
Advances received from customers	-83.5	-68.1
	207.7	**215.2**
Receivables and other assets	367.2	339.3
Cash and balances with credit institutions	114.0	102.9
	481.2	**442.2**
Prepaid expenses	**7.2**	**4.3**
	1,289.6	**1,221.8**

Equity and liabilities

€ millions	31 Dec. 2024	31 Dec. 2023
Equity		
Subscribed capital	44.8	44.8
Capital reserve	66.7	66.7
Revenue reserves	136.2	136.2
Net retained profits	128.2	88.6
	375.8	**336.3**
Provisions		
Pensions and similar obligations	516.2	517.5
Miscellaneous other provisions	132.5	128.5
	648.7	**646.0**
Liabilities	**265.0**	**239.5**
	1,289.6	**1,221.8**

Income Statement of KSB SE & Co. KGaA (HGB)

Income Statement

€ millions	2024	2023
Sales revenue	**963.8**	**996.3**
Changes in inventories	13.6	-16.1
Work performed and capitalised	1.9	1.7
Total output of operations	**979.2**	**981.9**
Other operating income	31.3	22.6
Cost of materials	-410.4	-418.2
Staff costs	-382.7	-379.7
Depreciation and amortisation on intangible assets under fixed assets and property, plant and equipment	-23.3	-21.2
Other operating expenses	-197.4	-191.1
	-3.4	**-5.8**
Income from equity investments	104.6	61.6
Other finance income / expense	-2.1	1.8
	102.5	**63.4**
Taxes on income	-12.2	-6.9
Earnings after taxes	**87.0**	**50.8**
Other taxes	-1.7	-1.4
Net profit / loss for the year	**85.3**	**49.4**
Profit / loss carried forward	42.9	39.3
Appropriation to other revenue reserves	–	–
Net retained earnings	**128.2**	**88.6**

Business Model of KSB SE & Co. KGaA

KSB SE & Co. KGaA, as the parent, directly or indirectly holds the shares in the companies belonging to the KSB Group. The KSB Group is managed via KSB SE & Co. KGaA, which is at the same time the Group's largest operative company. The central administrative offices are located at the company's seat (registered office) in Frankenthal; branch operations are located in Bremen, Halle and Pegnitz.

KSB SE & Co. KGaA is associated via control and profit transfer agreements with the following German service companies: KSB Service GmbH, Frankenthal, KSB Service GmbH, Schwedt, Uder Elektromechanik GmbH, Friedrichsthal, Dynamik-Pumpen GmbH, Stuhr, PMS BERCHEM GmbH, Neuss, Pumpen Service Bentz GmbH, Reinbek, and KAGEMA Industrieausrüstungen GmbH, Pattensen, as well as the holding company KSB Finanz GmbH, Frankenthal. These companies are therefore under single management by KSB SE & Co. KGaA. Their annual earnings are transferred to KSB SE & Co. KGaA.

The annual financial statements of KSB SE & Co. KGaA have been prepared in accordance with the provisions of the *Handelsgesetzbuch* (HGB) [German Commercial Code] and the *Aktiengesetz* (AktG) [German Public Companies Act] including the German principles of proper accounting.

Differences between the accounting methods under HGB and the International Financial Reporting Standards (IFRS), which are the basis of preparation for the consolidated financial statements of KSB, arise primarily from the recognition over time of revenue from customer contracts under IFRS 15, in the calculation of pension provisions, from the recognition of leases under IFRS 16 and in the capitalisation of deferred taxes. Furthermore, differences arise in the recognition of assets and liabilities and of income statement items; under HGB there is expanded scope for the recognition of sales revenue.

Business Development and Results of Operations of KSB SE & Co. KGaA

As in the previous years, the 2024 financial year was characterised by the persistently difficult economic situation in Europe and the ongoing geopolitical tensions. The financial year was also influenced by subdued global economic growth, while the German economy continues to face challenges. Persistently high energy prices weighed heavily on the manufacturing industry.

Thanks to the KSB Group's global positioning across several market areas, economic downturns were offset by positive developments. In the standard business, the restraint with regard to large investments and construction projects was tangible. However, this development was offset by the high-margin KSB SupremeServ Segment.

Order intake rose significantly compared with the previous year. Sales revenue under IFRS declined marginally. EBIT under IFRS is considerably lower than the prior-year figure. The key performance indicators – order intake, sales revenue and EBIT under IFRS – are, as described in the Control System section, the material financial performance indicators, which are also used for controlling KSB SE & Co. KGaA.

Order Intake

The volume of orders received by KSB SE & Co. KGaA rose by € 26.0 million to € 889.7 million in the reporting year, an increase of 3.0 %. Despite the economic slowdown in Germany, KSB SE & Co. KGaA's diversification across numerous regions and markets helped increase its order intake.

Sales Revenue

At € 963.8 million, total sales revenue under HGB was down € 32.5 million on the prior-year figure of € 996.3 million.

The disclosures below refer only to sales revenue from the sale of pumps, valves and spare parts as well as services. Sales revenue of € 863.2 million generated in the 2024 financial year represents a year-on-year decline of € 53.2 million (-5.8 %).

67.9 % of sales revenue relates to new business with Pumps, 10.4 % to new business with Valves, and 21.7 % to KSB SupremeServ which comprises all the service and spare parts business. The breakdown of sales revenue is broadly similar to that of the previous year.

Under IFRS, sales revenue fell marginally to € 875.9 million compared with € 884.4 million in the previous year. Significant improvement in new business with valves was contrasted by slight declines in new business with pumps. In the Standard Markets operating segment, the Petrochemicals / Chemicals Market Area in particular grew strongly, while the other Market Areas recorded slight to noticeable declines. Sales revenue from the Energy operating segment remained stable. The KSB SupremeServ Segment reported a tangible decline in 2024, primarily due to lower spare parts sales in General Industry, which could not be offset by higher sales in the other Market Areas.

Income and Expenses

Other operating income rose from € 22.6 million to € 31.3 million. This increase is mainly attributable to higher currency translation gains and reversals of provisions.

At € 410.4 million, the cost of materials was down slightly on the prior-year level of € 418.2 million. The cost of materials as a percentage of total output of operations fell from 42.6 % in the previous year to 41.9 % in the reporting year. This is due in particular to changes to the product mix.

Staff costs increased in absolute terms by € 3.0 million to € 382.7 million. Higher wages and salaries due to the collectively agreed pay adjustment as from May 2024 as well as provisions for profit bonuses had an impact here. Pension costs showed a contrary trend. At 39.1 %, staff costs as a percentage of total output of operations were higher than the previous year's figure of 38.7 %.

Other operating expenses of € 197.4 million showed a significant increase after € 191.1 million in the previous year. In addition to a general increase in costs, higher expenses for cost transfers from Group companies (€ 3.4 million) as well as travel and entertainment expenses (€ 2.5 million) contributed to the rise. Additions to provisions for warranties and penalties showed a contrary trend.

Overall, the income from equity investments, at € 104.6 million, was considerably above the prior-year level (previous year: € 61.6 million). This includes profit transfers from the German controlled companies of € 53.9 million (previous year: € 19.0 million) and dividend income from affiliates and equity investments of € 50.7 million. The increase in income from profit transfers is due to the expansion of the tax group to include KSB Finanz GmbH, Frankenthal. Considerable declines were reported for other financial income / expense which fell to € -2.1 million (previous year: € 1.8 million). Interest expense increased more than interest income.

The sharp growth in taxes on income from € -6.9 million to € -12.2 million was due to the considerable increase in earnings before taxes.

Net Profit / Loss for the Year Under HGB

The total output of operations and expenses were on a par with the previous year, with operating earnings of € -3.4 million after € -5.8 million in the previous year. The financial result rose sharply. As a result, KSB SE & Co. KGaA generated a net profit for the year of € 85.3 million in the 2024 financial year; this compares with a net profit of € 49.4 million in the previous year.

Earnings Before Finance Income / Expense and Income Tax (EBIT) Under IFRS

The EBIT determined in accordance with IFRS amounted to € -12.3 million in the 2024 financial year (previous year: € 4.1 million). The external costs for the migration of the SAP R/3 system to SAP S/4HANA had a significant negative impact on EBIT at € 15.4 million. In addition, higher general administrative expenses also contributed to the decline in EBIT. The improvement in operating margins did not offset these costs.

Financial Position and Results of Operations of KSB SE & Co. KGaA

Financial Position

KSB SE & Co. KGaA is embedded within central financial management at the KSB Group. The latter works within the framework of the guidelines laid down by KSB Management SE as the legal representative and bases the nature and scope of all financial transactions exclusively on the requirements of the business. The objective of financial management is to guarantee liquidity at all times and to ensure the financing of activities on optimum terms. In financing export transactions, KSB SE & Co. KGaA hedges foreign exchange and credit risks. KSB continuously improves its receivables management methods with the goal of settling outstanding amounts by their due dates.

Liabilities and Provisions

The largest liabilities item, as in the previous year, was pension provisions, which amounted to € 516.2 million on the reporting date (previous year: € 517.5 million). Other expenses, at € 132.5 million, were noticeably higher than in the previous year (€ 128.5 million). This was due to additions to provisions for taxes on income.

Of liabilities totalling € 265.0 million (previous year: € 239.5 million), € 71.8 million was accounted for by trade payables at year end (previous year: € 68.5 million). Liabilities towards affiliates and equity investments increased significantly from € 162.4 million in the previous year to € 182.8 million. They include € 154.0 million (previous year: € 132.7 million) for intercompany loans and cash investments.

Net Assets

Total assets, at € 1,289.6 million, are up 5.5 % on the prior-year level of € 1,221.8 million.

In the reporting year, fixed assets made up 46.0 % (previous year: 45.8 %) of total assets. Intangible assets, property, plant and equipment with a historical cost of € 670.4 million have carrying amounts of € 235.3 million. The focus continued to be on replacement investments in manufacturing facilities. The rise in financial assets from € 346.1 million to € 358.1 million is essentially attributable to capital increases and a write-up related to an equity investment.

The share accounted for by current assets was 54.0 % after 54.2 % in 2023. The difference of inventories and advances received declined noticeably from € 215.2 million to € 207.7 million. Advances received, which were up by € 15.4 million, contributed to this. This was contrasted by higher inventories, which increased from € 283.3 million to € 291.3 million. In addition, receivables and other assets rose by € 27.9 million. Higher trade receivables from affiliates and cash investments in the Group attributed to this in particular. The cash and balances with credit institutions item posted an increase by € 11.1 million.

Equity

The share capital of KSB SE & Co. KGaA remained at € 44.8 million. The capital reserve was unchanged at € 66.7 million. At year end, € 136.2 million (previous year: € 136.2 million) was assigned to other revenue reserves. Out of the 2023 net retained earnings of € 88.6 million, dividends totalling € 45.8 million (dividend of € 26.00 per ordinary share and € 26.26 per preference share) were distributed by resolution of the Annual General Meeting 8 May 2024. The remaining amount of € 42.9 million was carried forward to new account.

Summary of the Performance in the Financial Year of KSB SE & Co. KGaA

The forecasts made at the beginning of the year were not fulfilled. Sales revenue under IFRS is stable and in line with the previous year; a moderate to tangible increase was forecast. In contrast, order intake saw a significant increase. Expectations at the beginning of the year were for a moderate increase. EBIT under IFRS fell considerably and failed to meet the forecast significant to strong increase. The reasons for this are explained in more detail in the “Earnings before finance income / expense and income tax (EBIT) under IFRS” sub-section of this report.

Opportunities and Risks

The business performance of KSB SE & Co. KGaA depends significantly on the risks and opportunities faced by the KSB Group, which are set out in detail in the Report on Expected Developments and the Opportunities and Risks Report in the Combined Management Report. KSB SE & Co. KGaA generally shares in the opportunities and risks of its equity investments and subsidiaries in line with its equity interest.

Report on Expected Developments of KSB SE & Co. KGaA

In its forecast, KSB SE & Co. KGaA essentially makes the same assumptions regarding the development of global economic conditions as the KSB Group.

A modified definition of the ranges is used for the Report on Expected Developments of KSB SE & Co. KGaA. Detailed explanations are provided in the Report on Expected Developments section.

Overall, KSB SE & Co. KGaA foresees tangible growth in sales revenue under IFRS in the 2025 financial year. This growth is being driven across all areas. Strong growth in new business with pumps in the Energy operating segment and the Valves Segment will drive this development, in particular. As regards order intake, significant increases are expected. This is due to strong growth in new business with pumps in the Energy operating segment and a noticeably higher level of orders for new business with valves. EBIT under IFRS is expected to fall sharply compared with the 2024 financial year. This decline is due, among other things, to higher expenses for the migration of the SAP R/3 system to the SAP S/4HANA system. Moderate increases are expected from operational business activities.

The forecast horizon for the above-mentioned information and statements is the 2025 financial year.

The forecast may be influenced in particular by the continuing geopolitical tensions.

Acquisition-related Disclosures

A summary of the acquisition-related disclosures required by Sections 289a and 315a HGB [*Handelsgesetzbuch* – German Commercial Code] is given below and explanatory information is provided pursuant to Section 176(1) AktG [*Aktiengesetz* – German Public Companies Act].

The share capital of KSB SE & Co. KGaA (the company) amounts to € 44.8 million, of which € 22.7 million is represented by 886,615 no-par-value ordinary shares and € 22.1 million by 864,712 no-par-value preference shares. Each no-par-value share represents an equal notional amount of the share capital. All shares are bearer shares. They are listed for trading on the regulated market and are traded in the Prime Standard segment of the Frankfurt Stock Exchange.

Each ordinary share entitles the holder to one vote at KSB SE & Co. KGaA's Annual General Meeting. Johannes und Jacob Klein GmbH, Frankenthal, holds approximately 84 % of the ordinary shares; the KSB Stiftung [KSB Foundation], Stuttgart, holds the majority of the shares of Johannes und Jacob Klein GmbH. The preference shares carry separate cumulative preferred dividend rights and progressive additional dividend rights. Detailed information on the share capital and shareholders holding an interest of more than 10 % is provided in the Notes to the consolidated financial statements. Holders of preference shares are entitled to voting rights only in the cases prescribed by law. The issue of additional ordinary shares does not require the consent of the preference shareholders. Similarly, the issue of additional preference shares does not require the consent of the preference shareholders provided that the subscription rights do not exclude newly issued senior or pari passu preference shares.

The company is authorised by a resolution passed at the Annual General Meeting on 13 May 2020 to acquire during the period up to (and including) 12 May 2025, for any permitted purpose, ordinary and/or preference shares of the company up to a total of 10 % of the share capital of KSB SE & Co. KGaA existing at the time the resolution is adopted or – if this value is lower – at the time the authorisation is exercised. The general partner shall be entitled to use treasury shares acquired in such a way for any permitted purpose, including but not limited to the following: (1) The acquired treasury shares may be redeemed without the redemption or its execution requiring any further resolution by the Annual General Meeting. The general partner may also determine that the share capital remains unchanged by the redemption and that, instead, the portion of share capital that the remaining shares represent is increased pursuant to Section 8(3) AktG. (2) The acquired treasury shares may also be sold in ways other than over the stock exchange or by way of an offer to all shareholders if the shares are sold for cash at a price that is not materially lower than the stock exchange price of the company's shares of the same type and with the same features at the time of the sale. However, this authorisation shall only apply subject to the proviso that the shares sold to the exclusion of the pre-emptive right pursuant to Section 186(3), sentence 4 AktG shall not exceed a total pro-rata amount of 10 % of the share capital, either at the time this authorisation enters into effect or at the time it is exercised. Any shares issued from authorised capital during the term of this authorisation to the exclusion of the pre-emptive right pursuant to Sections 203(2), sentence 2, and 186(3), sentence 4 AktG shall be counted towards this limit. In addition, shares to be issued to service bonds and/or participation rights with conversion or option rights or a conversion or option obligation shall also count towards this limit if the bonds and/or participation rights are issued during the term of this authorisation to the exclusion of the pre-emptive right in corresponding application of Section 186(3), sentence 4 AktG. (3) The acquired treasury shares may be sold for a contribution in kind, in particular for the acquisition of companies, parts of companies or interests in companies. (4) Finally, the acquired treasury shares may be used to fulfil conversion or option rights that were granted by the company or a domestic or foreign enterprise in which the company directly or indirectly holds a majority of the votes and capital when issuing bonds and/or participation rights, or to fulfil conversion or option obligations from bonds and/or participation rights issued by the company or a domestic or foreign enterprise in which the company directly or indirectly holds a majority of the votes and capital.

The above-mentioned authorisations (1) to (4) on the use of shares of the Company acquired on the basis of previous authorisation resolutions in accordance with Section 71(1) No. 8 AktG or another legal basis, and of such shares acquired by controlled enterprises or enterprises in which the Company holds a majority ownership interest, or pursuant to Section 71d, sentence 5 AktG. The authorisations may be exercised once or several times, in whole or in part, individually or jointly, and also by controlled enterprises or enterprises in which KSB SE & Co. KGaA holds a majority ownership interest, or by third parties acting for their account or for the account of the company.

Where treasury shares are used in accordance with the aforementioned authorisations (2) to (4), the pre-emptive right of the shareholders to these treasury shares is excluded. In addition, the general partner shall, in the event of an offer for treasury shares to the shareholders, be authorised to grant to the creditors of bonds and/or participation rights with conversion or option rights or a conversion or option obligation issued by the company or a domestic or foreign enterprise in which the company directly or indirectly holds a majority of the votes and capital, a pre-emptive right to shares to the extent to which they would be entitled after exercising the conversion or option right or after fulfilling a conversion or option obligation. To this extent, the shareholders' pre-emptive right to such treasury shares shall also be excluded.

The company has not yet made use of this authorisation to purchase treasury shares.

There are no resolutions by the Annual General Meeting authorising the company's individually liable general partner to increase the share capital (authorised capital).

The company's business is managed by KSB Management SE, which is supervised by the Administrative Board and acts through the Managing Directors.

Amendments to the company's Articles of Association are resolved by the Annual General Meeting. If the amendments only affect the wording of the Articles of Association, they can be made by the Supervisory Board, which operates and is formed in accordance with the regulations of the *Mitbestimmungsgesetz* [German Co-determination Act].

Corporate Governance Statement (Section 315d HGB in Conjunction with Section 289f HGB)

The Corporate Governance Statement pursuant to Section 315d HGB in conjunction with Section 289f HGB [*Handelsgesetzbuch* – German Commercial Code] dated 11 March 2025 is accessible to the public at ksb.com/en-global > Investor Relations > Corporate Governance / Statement and Report. The Corporate Governance Statement contains the content specified in Section 298f HGB, including the Statement of Compliance in accordance with Section 161 AktG, as well as the relevant information on corporate governance practices applied at KSB SE & Co. KGaA that go above and beyond statutory requirements. Also described are in particular the working methods of KSB Management SE as the general partner and of the Supervisory Board, and the composition and working methods of the committees of the Supervisory Board.

Statement on the Non-financial Report (Section 315c in Conjunction with Sections 289c to 289e HGB)

The combined separate non-financial report is prepared in accordance with Section 315c in conjunction with Sections 289b to 289e HGB [*Handelsgesetzbuch* – German Commercial Code] and disclosed together with the combined management report in accordance with Section 325 HGB. The report can be viewed at: ksb.com/non-financial-report. Under the same address the assurance report for the combined separate non-financial report is also disclosed.

Corporate Governance Systems*

KSB has an internal control system, a risk management system and a compliance management system, which are important elements of corporate governance. In the following section, KSB describes these systems in accordance with A.5 DCGK 2022 recommendation.

Risk Management System (RMS) and Internal Control System (ICS)

The accounting-related internal control system comprises principles, processes and measures aimed at ensuring the correctness and reliability of the accounting system. This system ensures, for example, that reliable accounting-related information is complete and provided in a timely manner.

Further information on characteristics of the accounting-related internal control system is provided in the Opportunities and Risks Report under Internal Control System and Risk Management System with Regard to the Group Accounting Process.

Controls are also in place in the operative business processes of the Corporate Functions and KSB's decentralised units for handling the risks involved in the business activities. A comprehensive internal control system is set up at KSB by conceptually integrating the accounting-related internal control system with the current elements of an internal control system in the operative business processes beyond accounting.

Risk management is the most important instrument the Managing Directors of KSB have to ensure that all negative and positive developments are reported to them systematically and in a timely manner, and that appropriate measures can be implemented. In addition, risk management is critical for reporting about the risks and developments that could threaten the continued existence of KSB. Group risk management therefore comprises all the organisational rules and methods for recognising and managing opportunities and risks that arise in relation to Corporate Functions and decentralised units, and from markets and business activities. KSB's risk management is oriented on the basic elements of IDW PS 981 published by the German Institute of Public Auditors.

Further information on characteristics of the risk management system is provided in the Opportunities and Risks Report under Risk Management System.

Compliance Management System

Compliance in terms of implementing measures to ensure observance of applicable law and internal guidelines by Group units is one of the key management tasks of the general partner, which in this regard also acts through its Managing Directors. The requirement for profes-sional and honest conduct is expressed within the Group-wide Code of Conduct.

Some fundamental statements contained in the Code of Conduct are addressed in more detail in other, separate directives and guidelines. This particularly applies to the areas of anti-trust or cartel law and anti-corruption measures. The applicable legal bases in this respect are explained in greater detail and useful information on proper conduct in actual situations is provided. The latter equally applies to the Insider Directive, which deals with the ban on insider trading and handling of inside information. Further compliance sub-areas that are material to the company (such as data privacy and protection, export control, money laundering prevention) are assigned to the specific specialist departments for processing.

All material structures and processes of the compliance management system, including handling of violations, are compiled in the Compliance Manual which is available to the employees. In the case of proven violations, consistent sanctions are imposed based on a "zero tolerance" policy.

Responsibility for the compliance organisation lies with the general partner, acting through its Managing Directors, who are monitored by the Supervisory Board (Audit Committee) in this regard.

The compliance organisation is structured as follows:

- Group Compliance Office
- Local Compliance Offices
- Compliance Committee
- Ombudsperson

* Disclosures unrelated to the management report that are excluded from the factual review of the management report by the auditors

The Group Compliance Officer (hereinafter also "GCO") heads the Group Compliance Office. In the Group Compliance Office, the GCO is supported by the Regional Compliance Officers. In addition, there are Local Compliance Offices in place throughout the Group in countries in which KSB Group companies have their registered office; they usually consist of the Local Compliance Officer. Where several Local Compliance Officers are appointed in a country, they may be headed by a Country Compliance Officer.

An interdisciplinary Compliance Committee at Group headquarters provides advice on fundamental compliance issues as well as support to the Group Compliance Office in fulfilling its responsibilities.

If employees or third parties become aware of infringements of the KSB Code of Conduct, i.e. in particular violations of laws or company guidelines, they can get in touch with internal contacts or an external ombudsperson with the relevant information, also anonymously if they wish. The ombudsperson will immediately contact the Group Compliance Office with regard to processing such information.

The compliance management system was continuously developed in the past financial year. A key focus of these activities was, for example, the implementation of the recommendations drawn up in 2023 as a result of an analysis of the compliance management system by the auditors PricewaterhouseCoopers GmbH. As a result, some existing processes were optimised and in some cases new processes were established. Once again, the specific handling of compliance regulations at a selected national company was assessed on site, namely at KSB S.A.S., Gennevilliers (Paris), France. The potential for improvement and modernisation identified during this process will be implemented in the current financial year. Another focal point was the implementation of risk analyses for specific compliance sub-areas. In addition, another of the decentrally organised compliance sub-areas was subjected to a review as part of annual rolling audits, also with the support of PricewaterhouseCoopers GmbH. Work also began on coordinating the closer integration of the compliance management system and the internal control system in order to strengthen the overarching monitoring aspect. Compliance training was continued throughout the year for new employees of the company and employees who are transferred internally to relevant functions. The targeted preventive effect of compliance measures is rounded off by the specific review of operative projects for compliance with the regulations.

Statement on Appropriateness and Effectiveness

The internal control system, the risk management system and the compliance management system are subject to process-integrated and process-independent monitoring. Responsibility for process-integrated monitoring lies with the relevant Corporate Functions and decentralised units. The Internal Audits department is responsible for process-independent monitoring of the systems.

Process-independent monitoring of the internal control system comprises an audit of material controls along selected business processes at the level of Corporate Functions and decentralised units. The basis for this is a risk-oriented audit plan of the Internal Audits department, which is updated annually or as needed in a given situation.

Internal Audits also regularly reviews the risk management system for appropriateness and effectiveness on the basis of relevant standards, such as the DIIR Audit Standard No. 2: Audit of the Risk Management System by Internal Audits.

Finally, the appropriateness and effectiveness of the compliance management system is also continuously monitored by Internal Audits, mainly in the course of general or special audit measures. For example, the application of compliance regulations in the company is monitored in the form of employee surveys or in-depth analysis of relevant operative projects. In addition, selected parts of the compliance management system occasionally undergo external analyses by auditors, which are based on the requirements of IDW PS 980. The Audit Committee of the Supervisory Board is always involved in these processes and their findings, in particular to facilitate independent monitoring of the compliance management system by the Committee.

The Managing Directors are involved in monitoring the appropriateness and effectiveness of the systems by coordinating the specific key areas for the audit by Internal Audits, commissioning external auditors, managing a Group Compliance Office and maintaining regular dialogue with those responsible for the governance systems, among other things.

* Disclosures unrelated to the management report that are excluded from the factual review of the management report by the auditors

Based on the continuous findings from the aforementioned monitoring measures, the Managing Directors have no evidence that would call into question the appropriateness and effectiveness of the compliance management system, the risk management system and the internal control system.

* Disclosures unrelated to the management report that are excluded from the factual review of the management report by the auditors

3

Consolidated Financial Statements

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Balance Sheet

Assets

€ millions	Notes	31 Dec. 2024	31 Dec. 2023
Non-current assets			
Intangible assets	**1**	73.6	75.7
Right-of-use assets	**2**	57.7	46.9
Property, plant and equipment	**3**	672.2	602.2
Financial assets	**4**	1.9	1.2
Other non-financial assets	**5**	11.0	7.7
Investments accounted for using the equity method	**6**	31.7	24.5
Deferred tax assets	**20**	81.8	94.0
		929.9	**852.3**
Current assets			
Inventories	**7**	764.8	748.4
Contract assets	**8**	56.9	59.0
Trade receivables	**8**	605.4	554.6
Other financial assets	**8**	89.9	70.9
Other non-financial assets	**8**	51.7	44.3
Cash and cash equivalents	**9**	369.3	340.4
		1,938.0	**1,817.5**
		2,867.9	**2,669.8**

Further information is provided in the Notes to the consolidated financial statements.

Equity and Liabilities

€ millions	Notes	31 Dec. 2024	31 Dec. 2023
Equity	**10**		
Subscribed capital		44.8	44.8
Capital reserve		66.7	66.7
Revenue reserves		981.1	889.0
Equity attributable to shareholders of KSB SE & Co. KGaA		1,092.5	1,000.4
Non-controlling interests		242.9	216.5
		1,335.4	**1,216.9**
Non-current liabilities			
Deferred tax liabilities	20	9.7	9.9
Provisions for pensions and similar obligations	11	489.6	496.1
Other provisions	12	12.5	15.7
Financial liabilities	13	37.8	29.0
		549.5	**550.6**
Current liabilities			
Other provisions	12	122.5	120.8
Financial liabilities	13	20.8	26.1
Contract liabilities	13	214.4	202.6
Trade payables	13	356.7	324.7
Other financial liabilities	13	35.1	27.7
Other non-financial liabilities	13	201.4	181.8
Income tax liabilities	13	32.0	18.6
		983.0	**902.3**
		2,867.9	**2,669.8**

Further information is provided in the Notes to the consolidated financial statements.

Statement of Comprehensive Income

Income statement

€ millions	Notes	2024	2023
Sales revenue	**14**	**2,965.2**	**2,819.0**
Changes in inventories		8.6	24.3
Work performed and capitalised		2.2	2.0
Total output of operations		**2,975.9**	**2,845.2**
Other income	15	35.0	44.4
Cost of materials	16	-1,178.6	-1,153.7
Staff costs	17	-1,014.1	-960.7
Depreciation and amortisation	1 – 3	-97.4	-88.1
Other expenses	18	-476.6	-463.3
Earnings before finance income / expense and income tax (EBIT)		**244.2**	**223.9**
Finance income	19	13.8	9.4
Finance expense	19	-33.1	-29.7
Income from / expense to investments accounted for using the equity method	19	6.3	5.4
Finance income / expense		**-13.0**	**-14.9**
Earnings before income tax (EBT)		**231.2**	**209.0**
Taxes on income	20	-84.4	-32.4
Earnings after income tax		**146.8**	**176.6**
Attributable to:			
Non-controlling interests	21	28.7	24.3
Shareholders of KSB SE & Co. KGaA		**118.1**	**152.3**
Diluted and basic earnings per ordinary share (€)	22	67.29	86.83
Diluted and basic earnings per preference share (€)	22	67.55	87.09

Further information is provided in the Notes to the consolidated financial statements.

Statement of income and expense recognised in equity

€ millions	Notes	2024	2023
Earnings after income tax		**146.8**	**176.6**
Remeasurement of defined benefit plans	11	14.8	-39.4
Taxes on income		-4.4	27.6
Remeasurement of defined benefit plans relating to investments accounted for using the equity method		-0.1	0.2
Items not reclassified to profit or loss in subsequent periods		**10.2**	**-11.6**
Currency translation differences		22.3	-32.9
Changes in the fair value of financial instruments: Hedging reserve		-3.5	-1.3
Taxes on income: Hedging reserve		1.0	0.4
Changes in the fair value of financial instruments: Hedging cost reserve		0.1	0.8
Taxes on income: Hedging cost reserve		0.0	-0.1
Expense and income recognised directly in equity relating to investments accounted for using the equity method		0.7	-0.5
Items reclassified to profit or loss in subsequent periods if required		**20.5**	**-33.5**
Other comprehensive income		**30.7**	**-45.1**
Comprehensive income		**177.5**	**131.5**
Attributable to:			
Non-controlling interests		39.6	16.1
Shareholders of KSB SE & Co. KGaA		**137.9**	**115.4**

Further information is provided in the Notes to the consolidated financial statements.

Statement of Changes in Equity

€ millions	Subscribed capital of KSB SE & Co. KGaA	Capital reserve of KSB SE & Co. KGaA	Revenue reserves: Other revenue reserves	Revenue reserves – Other comprehensive income: Currency translation differences	Revenue reserves – Other comprehensive income: Changes in the fair value of financial instruments: Hedging reserve	Revenue reserves – Other comprehensive income: Changes in the fair value of financial instruments: Hedging cost reserve	Revenue reserves – Other comprehensive income: Remeasurement of defined benefit plans	Equity attributable to shareholders of KSB SE & Co. KGaA	Non-controlling interests	Total Equity
1 Jan. 2023	**44.8**	**66.7**	**1,035.3**	**-112.3**	**1.1**	**-0.8**	**-118.8**	**915.9**	**209.7**	**1,125.6**
Other comprehensive income	–	–	–	-24.9	-0.8	0.7	-11.8	-36.9	-8.2	-45.1
Earnings after income tax	–	–	152.3	–	–	–	–	152.3	24.3	176.6
Comprehensive income	**–**	**–**	**152.3**	**-24.9**	**-0.8**	**0.7**	**-11.8**	**115.4**	**16.1**	**131.5**
Dividends paid	–	–	-34.4	–	–	–	–	-34.4	-6.3	-40.7
Capital increase / decrease	–	–	–	–	–	–	–	–	–	–
Step acquisitions	–	–	–	–	–	–	–	–	–	–
Other	–	–	3.5	–	–	–	–	3.5	-3.0	0.5
31 Dec. 2023	**44.8**	**66.7**	**1,156.8**	**-137.3**	**0.2**	**-0.1**	**-130.6**	**1,000.4**	**216.5**	**1,216.9**

€ millions	Subscribed capital of KSB SE & CO. KGaA	Capital reserve of KSB SE & Co. KGaA	Revenue reserves: Other revenue reserves	Revenue reserves – Other comprehensive income: Currency translation differences	Revenue reserves – Other comprehensive income: Changes in the fair value of financial instruments: Hedging reserve	Revenue reserves – Other comprehensive income: Changes in the fair value of financial instruments: Hedging cost reserve	Revenue reserves – Other comprehensive income: Remeasurement of defined benefit plans	Equity attributable to shareholders of KSB SE & Co. KGaA	Non-controlling Interests	Total Equity
1 Jan. 2024	**44.8**	**66.7**	**1,156.8**	**-137.3**	**0.2**	**-0.1**	**-130.6**	**1,000.4**	**216.5**	**1,216.9**
Other comprehensive income	–	–	–	12.8	-2.5	0.1	9.5	19.8	10.9	30.7
Earnings after income tax	–	–	118.1	–	–	–	–	118.1	28.7	146.8
Comprehensive income	**–**	**–**	**118.1**	**12.8**	**-2.5**	**0.1**	**9.5**	**137.9**	**39.6**	**177.5**
Dividends paid	–	–	-45.8	–	–	–	–	-45.8	-13.9	-59.6
Capital increase / decrease	–	–	–	–	–	–	–	–	1.2	1.2
Step acquisitions	–	–	2.1	-2.1	–	–	0.0	0.0	-0.6	-0.6
Other	–	–	–	–	–	–	–	–	–	–
31 Dec. 2024	**44.8**	**66.7**	**1,231.2**	**-126.6**	**-2.3**	**-0.1**	**-121.2**	**1,092.5**	**242.9**	**1,335.4**

Statement of Cash Flows

€ millions	**2024**	**2023**
Earnings after income tax	146.8	176.6
Taxes on income	84.4	32.4
Finance income	-13.8	-9.4
Finance expense	33.1	29.7
Depreciation and amortisation	97.4	88.1
Gain / loss on disposal of intangible assets and property, plant and equipment	-0.2	0.2
Change in inventories	-17.0	-59.1
Change in contract assets	2.2	20.7
Change in trade receivables	-48.3	12.6
Change in provisions	-9.7	9.4
Change in contract liabilities	10.4	26.5
Change in trade liabilities	25.9	-2.4
Change in other assets and liabilities	6.1	12.8
Income tax paid	-61.1	-65.1
Interest received	12.5	7.3
Cash flows from operating activities	**268.6**	**280.3**
Proceeds from disposal of intangible assets and property, plant and equipment	1.4	2.1
Payments to acquire intangible assets and property, plant and equipment	-135.0	-106.5
Acquisition of subsidiaries and other operations less cash and cash equivalents acquired	–	-0.9
Acquisition of joint ventures and associates	-1.3	–
Proceeds from deposits with an original maturity of more than 3 months	36.1	9.7
Payments for deposits with an original maturity of more than 3 months	-56.1	-5.7
Proceeds from investments in Group companies that are not fully consolidated	1.0	0.3
Payments for investments in Group companies that are not fully consolidated	-0.3	-3.0
Proceeds from dividends from Group companies that are not fully consolidated	1.0	0.8
Payments for capitalisation measures with Group companies that are not fully consolidated	-0.7	-0.3
Cash flows from investing activities	**-153.7**	**-103.5**

€ millions	**2024**	**2023**
Dividends paid to shareholders of KSB SE & Co. KGaA	-45.8	-34.4
Dividends paid to non-controlling interests	-13.9	-6.3
Proceeds from financial liabilities	7.3	10.0
Payments for financial liabilities (excluding lease liabilities)	-14.7	-11.7
Repayment of lease liabilities	-19.2	-17.8
Interest paid	-3.1	-3.3
Transactions with non-controlling interests	0.6	–
Cash flows from financing activities	**-88.8**	**-63.5**
Changes in cash and cash equivalents	26.1	113.3
Effects of exchange rate changes on cash and cash equivalents	2.8	-3.0
Effects of changes in consolidated Group	–	1.6
Cash and cash equivalents at beginning of period	340.4	228.6
Cash and cash equivalents at end of period	**369.3**	**340.4**

Notes

I. General Information and Basic Principles

General information on the Group

KSB SE & Co. KGaA, Frankenthal / Pfalz, Germany, is a capital market-oriented *Kommanditgesellschaft auf Aktien* [partnership limited by shares] under the law of the Federal Republic of Germany. The company is registered with the *Handelsregister* [German Commercial Register] of the *Amtsgericht* [Local Court] Ludwigshafen am Rhein, registration No. HRB 65657, and has its registered office at Johann-Klein-Straße 9, 67227 Frankenthal / Pfalz, Germany. KSB SE & Co. KGaA was formed from KSB Aktiengesellschaft by entry in the German Commercial Register on 17 January 2018. The general partner is KSB Management SE, a European public limited company. The shares in this company are wholly owned by Klein, Schanzlin & Becker GmbH, Frankenthal / Pfalz. Klein, Schanzlin & Becker GmbH is jointly managed by its two shareholders, the non-profit KSB Stiftung [KSB Foundation], Stuttgart, and the non-profit Kühborth-Stiftung GmbH [Kühborth Foundation], Stuttgart. KSB SE & Co. KGaA and thus the KSB Group are managed via KSB Management SE, which has four Managing Directors and a five-member Administrative Board.

KSB SE & Co. KGaA is the ultimate and immediate parent company whose consolidated financial statements include the single-entity financial statements of KSB SE & Co. KGaA. The consolidated financial statements of KSB SE & Co. KGaA prepared in accordance with International Financial Reporting Standards as adopted by the EU are published in the *Bundesanzeiger* [German Federal Gazette].

The KSB Group (hereinafter also called "KSB" or the "Group") is a global supplier of high-quality pumps, valves and related systems and also provides a wide range of support services to users of these products. The breakdown of the Group's business activities is based on three Segments: Pumps, Valves and KSB SupremeServ.

Basis of preparation of the consolidated financial statements

The accompanying consolidated financial statements of KSB SE & Co. KGaA were prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the additional requirements of German commercial law under Section 315e(1) HGB [*Handelsgesetzbuch* – German Commercial Code]. To do so, the Conceptual Framework and all Standards applicable at the reporting date and adopted by the European Commission for use in the EU that are of relevance to the KSB Group as well as the interpretations of the IFRS Interpretations Committee were applied. For the purposes of this document, the term IFRSs includes applicable International Accounting Standards (IASs). The consolidated financial statements of KSB SE & Co. KGaA therefore meet the requirements of the IFRSs as adopted by the EU. The consolidated financial statements were prepared on a going concern basis in accordance with IAS 1.25. On principle, the historical cost is the measurement basis used for the consolidated financial statements, unless Section III. Accounting Policies provides otherwise.

Amounts in this report are generally presented in millions of euros (€ millions) using standard commercial rounding rules. Due to rounding, there may be minor differences in the totals and percentages presented in this report.

The financial year of the companies consolidated is the calendar year.

The income statement as part of the statement of comprehensive income has been prepared using the nature of expense method.

All material items of the balance sheet and the income statement are presented separately and explained in these Notes.

The main accounting policies used to prepare the consolidated financial statements are presented below. The policies described were applied consistently for the reporting periods presented unless stated otherwise.

The consolidated financial statements, the annual financial statements of the parent company and the combined management report are submitted to and published in the *Bundesanzeiger*.

These consolidated financial statements are released by the Managing Directors of KSB Management SE on 12 March 2025 for approval at the meeting of the Supervisory Board on 20 March 2025.

New accounting principles

a) Accounting principles applied for the first time in the 2024 financial year

The new or revised accounting Standards and Interpretations listed below which were adopted for the first time in the reporting year had no or no material impact on the Group's net assets, financial position and results of operations.

b) Accounting principles that have been published but that are not yet mandatory

The new or revised Accounting Standards and Interpretations listed below were not yet mandatory and were not applied in the 2024 financial year.

As a matter of principle, the new or revised Standards or Interpretations shown in the table have not been adopted early. No or no material effects on ther net assets, financial position or results of operations are expected to arise from these amendments.

Accounting principles applied for the first time in the 2024 financial year

	First-time adoption in the EU
Amendments to IFRS 16 Leases	1 Jan. 2024
Amendments to IAS 1 Presentation of Financial Statements	1 Jan. 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	1 Jan. 2024

Accounting principles that have been published but that are not yet mandatory

	First-time adoption in the EU
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 Jan. 2025

II. Consolidation Principles

Consolidated Group

As at 31 December 2024, in addition to KSB SE & Co. KGaA, 10 German and 77 foreign companies (previous year: 10 German and 78 foreign companies) were fully consolidated in the consolidated financial statements. A majority interest is held, either directly or indirectly, in the voting power of these subsidiaries which the KSB Group has the option to control under IFRS 10.

Subsidiaries are companies controlled by the Group. The Group controls a company if it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power of disposition over the company.

The financial statements of subsidiaries are included in the Group's financial statements from the date on which control begins until the date on which control ends.

Changes in the investment ratio that do not result in a loss of control are treated as a transaction between shareholders and recognised directly in equity. Such transactions do not result in the recognition of goodwill or the realisation of disposal profits.

The consolidation principles apply accordingly to the six (previous year: five) joint ventures and associated companies accounted for using the equity method as at the reporting date. Upon the loss of joint control or significant influence any retained interest in the investee is remeasured at fair value through profit or loss.

Associates are companies in which the Group has significant influence but does not have control or joint control over financial and business policy. A joint venture is an agreement through which the Group exercises joint control, in that it has rights to the net assets of the agreement rather than rights to its assets and obligations for its liabilities.

The shares in companies included at-equity are measured at cost of acquisition plus or minus cumulative changes in net assets, with recognised goodwill reported in the carrying amount of the investment.

The Thai company KSB Pumps Co. Ltd., Bangkok, and the Indian company KSB Limited, Pimpri (Pune), are included in the group of fully consolidated affiliates despite the fact that KSB holds a group share of capital of less than 50 %. KSB does, however, have the power to determine their business and financial policies and thus the level of variable returns.

KSB gained control over KSB Limited, Pimpri (Pune), in which KSB owns 40.54 % of the shares, through contractual agreements with other shareholders. These agreements ensure that KSB has the majority of voting rights in management committees and also exercises control over the budget.

Likewise, KSB exercises control over KSB Pumps Co. Ltd., Bangkok, in which it owns 49.00% of the shares, through additional agreements which give KSB the majority of voting rights in management committees and control over the budget.

Companies that were not consolidated due to there being no material impact are reported as other investments under non-current other financial assets.

Changes in the consolidated Group

In the 2024 financial year, there were the following changes in the consolidated Group, none of which had a material impact on the Group's assets, financial position and results of operations. Against this background, no further information is provided in this context.

With regard to the subsidiaries based in the Netherlands, there have been changes under company law. The former DP Industries B.V. and KSB Finance Nederland B.V. have merged and now operate jointly under the name KSB Industries B.V. In addition, KSB Manufacturing Netherlands B.V. has been renamed KSB Manufacturing B.V.

The interest held by the Group in the fully consolidated company KSB Pumps Co. Ltd., Bangkok, Thailand, increased from 40.00 % to 49.00 % in the reporting year. KSB now holds 72.54 % of shares in KSB Pumps Company Limited, Lahore, Pakistan, instead of the previous 58.89 %.

Furthermore, KSB acquired 41.14 % of the shares in 1637534 Alberta Ltd., Edmonton, Canada, in the reporting year, as a result of which the Group also indirectly holds the same interest in its equity investment, PIP360 Inc., Edmonton, Canada. The companies are included together in the consolidated financial statements as a joint venture accounted for using the equity method.

The companies KSB Bolivia S.R.L., La Paz, Bolivia, and KSB (CAMBODIA) PUMPS & VALVES CO., LTD., Phnom Penh, Cambodia, which were newly founded in the reporting year, were not consolidated due to immateriality.

As a result of the liquidation of Techni Pompe Service Maroc (TPSM), Casablanca, Morocco, the group of companies not consolidated due to immateriality has been reduced.

In addition, a number of individual companies have changed their names: the former KSB Compañía Sudamericana de Bombas S.A., Carapachay (Buenos Aires), Argentina, now trades as KSB Argentina S.A., the former GIW Industries, Inc., Grovetown / Georgia, USA, as KSB GIW, Inc., the former Aplicaciones Mecánicas Válvulas Industriales, S.A. (AMVI), Burgos, Spain, as KSB Valves Spain S.A., the former DAG - Dieselanlagen Service GmbH as KSB DAG GmbH, Vienna, Austria, and the former REEL s.r.l., Ponte di Nanto, Italy, as KSB REEL S.r.l.

A full list of the shareholdings held by the KSB Group is provided at the end of these Notes to the consolidated financial statements.

Consolidation methods

For the purposes of consolidation, the effects of any intercompany transactions are eliminated in full. Any receivables and liabilities between the consolidated companies are offset against each other, and any unrealised gains and losses recognised in fixed assets and inventories are eliminated. Any revenues from intercompany sales are offset against the corresponding expenses.

Capital consolidation is based on the purchase method of accounting pursuant to IFRS 3. This means that the amortised cost of the parent's shares in the subsidiary is eliminated against the remeasured equity attributable to the parent at the date of acquisition.

Any goodwill created from the application of the purchase method denominated in a currency other than the functional currency of the KSB Group is measured at the relevant current closing rate at the reporting date. Goodwill is reported under intangible assets and tested for impairment at least once a year. If an impairment is identified, an impairment loss is recognised. Any excess of the interest in the fair values of net assets acquired over cost is recognised in profit or loss in the year it occurred.

Those shares of subsidiaries' equity not attributable to KSB SE & Co. KGaA are reported as non-controlling interests. Further explanations on non-controlling interests are included under Notes No. 10 "Equity".

Currency translation

The consolidated financial statements have been prepared in euro (€). Unless otherwise stated, amounts in this report are presented in millions of euros (€ millions) using standard commercial rounding rules.

Currency translation is effected on the basis of the functional currency of the consolidated companies. As in the previous year, the functional currency is exclusively the local currency of the company consolidated, as it operates as a financially, economically and organisationally independent entity.

Transactions denominated in foreign currencies are translated at the individual companies at the rate prevailing when the transaction is initially recognised.

Monetary assets and liabilities are subsequently measured at the closing rate at the reporting date. Measurement effects are recognised in profit or loss.

When translating financial statements of consolidated companies that are not prepared in euro, assets and liabilities are translated at the closing rate at the reporting date (modified closing rate method); the income statement and cash flow statement items are translated at annual average exchange rates. An exception to this, with a translation of the income statement items at the closing rate at the reporting date, results from the application of IAS 29 Financial Reporting in Hyperinflationary Economies, as explained in greater detail below. Gains and losses from the translation of items of assets and liabilities compared with their translation in the previous year are taken directly to equity in other comprehensive income and reported under currency translation differences.

The exchange rates of the most important currencies for the KSB Group at the reporting date and on an annual average are presented in the table below.

Hyperinflation

Argentina and Turkey have been classified as hyperinflationary economies for accounting purposes since 2018 and 2022 respectively. Accordingly, IAS 29 Financial Reporting in Hyperinflationary Economies has since been applied to the translation of the financial statements of KSB Argentina S.A., Buenos Aires, Argentina, and KSB-Pompa, Armatür Sanayi ve Ticaret A.S., Ankara, Turkey.

As a result, the activities of the two said subsidiaries are not accounted for on the basis of historical acquisition and production costs, but are adjusted for the effects of inflation by using country-specific price indices.

The inflation adjustment to the financial statements of the Argentine subsidiary is based on the consumer price index IPC (*Índice de precios al consumidor*), which was at 7,694.01 on 31 December 2024 (31 December 2023: 3,520.10; 1 January 2023: 1,134.59). The consumer price index TÜFE (*Tüketici fiyat endeksi*) is used to adjust for inflation in the financial statements of the Turkish subsidiary; the value applied at the reporting date was 2,684.55 (31 December 2023: 1,859.38; 1 January 2023: 1,128.45).

Exchange rates of the most important currencies

	Closing rate		Average rate	
	31 Dec. 2024	31 Dec. 2023	2024	2023
US dollar	1.0389	1.1050	1.0824	1.0813
Brazilian real	6.4253	5.3618	5.8283	5.4010
Indian rupee	88.9335	91.9045	89.8543	89.3001
Chinese yuan	7.5833	7.8509	7.7875	7.6600

The net loss from monetary depreciation to be taken into account under IAS 29 on the affected monetary assets and liabilities, amounting to € 12.6 million (previous year: € 6.9 million), is included in the income statement under other finance expense within finance income / expense.

After applying the inflation adjustment, the balance sheet and income statement items are translated into the reporting currency (euro) at the closing rate at the reporting date for inclusion in the consolidated financial statements.

III. Accounting Policies

1. General accounting policies

Acquisition and production costs

In addition to the purchase price, acquisition cost includes attributable incidental costs (except for costs associated with the acquisition of a company) and subsequent expenditure. Purchase price reductions are deducted.

As well as directly allocated costs, production costs also include reasonable proportions of material and production overheads based on standard capacity utilisation of the relevant production facilities, if and to the extent these were incurred as part of the production process. This also includes production-related administrative expenses. General administrative expenses, research costs and selling expenses are not capitalised.

Borrowing costs as defined in IAS 23 that can be directly allocated to the acquisition or production of qualifying assets are capitalised. As in the previous year no such borrowing costs were incurred.

Fair value

Fair value is the price that independent market participants would, under standard market conditions, receive when selling an asset or pay when transferring a liability at the measurement date. This applies irrespectively of whether the price is directly observable or has been estimated using a measurement method.

The KSB Group defined a monitoring framework concept for determining fair value. This includes the monitoring of all material measurements at fair value and the direct communication of material facts to Management and, if necessary, to the audit committee. For the purposes of calculating fair value, KSB makes use wherever possible of estimates from market participants or estimates derived from these. As an initial step, regular checks are made to ascertain if there are current prices on active markets for an identical transaction. If no quoted market prices are available, the preference is to use the market-based approach (deriving the fair value from the market or transaction prices of comparable assets, for example multipliers) or the income-based approach (calculation of fair value as a future value by discounting future cash surpluses).

Based upon the input factors used in the measurement methods, fair values are assigned to different levels of the fair value hierarchy.

- Level 1: Quoted prices (unadjusted) on active markets for identical assets and liabilities

- Level 2: Measurement parameters that are not the quoted prices taken into account for Level 1, but that are observable for the asset or the liability either directly as a price or indirectly derived from prices

- Level 3: Measurement parameters for assets or liabilities that are not based on observable market data

If input factors categorised into different levels are included in the fair value measurement, the measurement must be categorised in its entirety in the level of the lowest level input factor that is material for the entire measurement.

Reclassifications between different levels in the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

Maturities

Maturities of up to one year are classified as current.

Assets that can only be realised after more than twelve months, as well as liabilities that only become due after more than twelve months, are also classified as current if they are attributable to the operating cycle defined in IAS 1. An operating cycle of more than 12 months typically applies to made-to-order production (construction contracts).

Assets and liabilities not classified as current are non-current.

Financial assets and financial liabilities

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised in the consolidated balance sheet at the time when KSB becomes a contractual party. When the contractual right to payments from financial assets expires, these are derecognised. Financial liabilities are derecognised at the time when the contractual obligations are settled or cancelled or have expired. The acquisition and sale of financial instruments on an arm's length basis are recognised at the value at the date of settlement. This applies to primary financial instruments, such as trade receivables and financial receivables. Only derivative financial instruments are recognised at the value at the trade date.

a) Primary financial instruments

In the KSB Group, primary financial instruments are allocated to the following measurement categories as financial assets and financial liabilities based on the requirements of IFRS 9:

- Financial assets at amortised cost – Receivables, credits, cash and cash equivalents, loans and other financial assets
- Financial liabilities at amortised cost – Loans, trade payables and other financial liabilities

Financial assets and liabilities are reported at fair value on initial recognition. Financial assets and liabilities that are not measured at fair value are recognised after adjustment for transaction costs. Subsequent measurement is in line with the measurement category allocated to the financial asset or financial liability.

The fair value option is not being used at the moment.

b) Derivative financial instruments

Derivative financial instruments (derivatives) are exclusively used for hedging purposes. Future cash flows and existing recognised underlyings are hedged against foreign currency and interest rate risks. The hedging instruments used are exclusively currency forwards and interest rate derivatives entered into with prime-rated banks. Interest rate risks are minimised for long-term borrowings at floating rates of interest. Group guidelines govern the use of these instruments. These transactions are also subject to continuous risk monitoring.

Derivative financial instruments are categorised at fair value through profit or loss unless they are part of hedge accounting. In the case of designated cash flow hedges, changes in the fair value of the effective portions of the currency derivatives are recognised under other comprehensive income and reported under "Changes in the fair value of financial instruments" in equity for as long as the underlying transaction is not recognised in the income statement. Only the spot element of the derivative hedging instrument is designated, while the forward element and currency basis spreads are excluded from the hedge and reported separately in the hedging cost reserve in other comprehensive income. Any ineffectiveness and changes in the market value of currency forwards not designated as hedges are recognised in profit or loss.

Changes in the fair value of interest rate derivatives used to hedge against interest rate risks in liabilities are recognised under other comprehensive income and presented under "Changes in the fair value of financial instruments" in equity.

The carrying amounts equal fair value and are determined on the basis of input factors observable either directly (as a price) or indirectly (derived from prices). Fair values may be positive or negative. Fair value is the amount that KSB would receive or have to pay at the reporting date to settle the financial instrument. This amount is determined using the relevant exchange rates, interest rates and counterparty credit ratings at the reporting date. Information is obtained solely from recognised external sources.

Currency forwards are reported under other financial assets and under other financial liabilities. This also applies in principle to interest rate swaps, where applicable.

2. Specific accounting policies

Intangible assets

Intangible assets are measured at (acquisition or production) cost and reduced by straight-line amortisation. Depreciation / amortisation is reported under "Depreciation / amortisation" in the income statement. The underlying useful life of intangible assets – excluding goodwill (indefinite useful life) – is between 2 and 15 years. If an intangible asset's recoverable amount is lower than its carrying amount, an impairment loss is recognised. Goodwill, other intangible assets with indefinite useful lives and intangible assets under development at the reporting date are tested for impairment at least once a year. In addition, all types of intangible assets are subject to impairment testing if there are indications as defined in IAS 36 of a possible impairment. If the reasons for an impairment loss in a previous period no longer apply, it is reversed up to a maximum of amortised cost (write-up), with the exception of goodwill.

Goodwill is scheduled to be tested for impairment once a year. The test relates to cash-generating units (CGUs). The cash-generating units are generally represented by the respective share in a legal entity that is allocated to an operating segment. The Group's total of five operating segments encompass Energy, Mining and Standard Markets for new business with Pumps, new business with Valves and KSB SupremeServ. A legal entity contains several cash-generating units if the main business activities are spread over several operating segments. Further details on KSB's segmentation are provided in Section VIII. Segment Reporting in these Notes to the consolidated financial statements.

The goodwill is reduced by the difference in value or down to zero at maximum if the value in use is lower than the carrying amount of the CGU. If the difference exceeds the carrying amount of goodwill, further impairment testing is required at the level of intangible assets, right-of-use assets and property, plant and equipment. Reversal of an impairment loss from an earlier period is not possible for goodwill.

The discounted cash flow model is used to determine the recoverable amount (value in use). The future earnings (EBIT in accordance with IFRS) applied are taken from a multi-year financial plan (five years) based on the 30 September reporting date, taking into account the medium-term strategy approved by Management for the respective cash-generating unit. This planning is carried out based on certain assumptions which are drawn from both forecasts from external sources, e.g. current German Mechanical Engineering Industry Association (VDMA) publications, and own experience-based knowledge of markets and competitors. The earnings of the last plan year are consistently extrapolated as a constant, if that level is considered to be achievable in the long term. Growth rates are derived taking account of the estimates with regard to economic circumstances. The Group regularly tests goodwill for impairment in the fourth quarter of every year based on the figures as per 30 September of the year in question. In addition, a review of impairment is always carried out when events or circumstances ("trigger events") suggest that the value could be impaired.

In order to assess the risk of impairment of material goodwill, the Group also performs sensitivity analyses as part of its impairment testing. To this end, changes deemed possible in material assumptions underlying the calculation of the value in use are taken into account.

When companies are acquired, purchase price allocations are made and the fair value of the assets and liabilities acquired is determined. In addition to the assets and liabilities already recognised by the selling party, account is also taken of marketing-related aspects (primarily brands or trademarks and competitive restrictions), customer-related aspects (primarily customer lists, customer relations and orders on hand), contract-related aspects (mainly particularly advantageous service, work, purchasing and employment contracts) as well as technology-related aspects (primarily patents, know-how and databases). The residual value method, the excess earnings method and cost-oriented procedures are primarily applied to determine values.

Development costs are capitalised as internally generated intangible assets at cost where the criteria described in IAS 38 are met and reduced by straight-line amortisation as from the time the asset becomes operational. Research costs are expensed as incurred. Where research and development costs cannot be reliably distinguished within a project, no costs are capitalised.

Leases

According to IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For leases where KSB is the lessee, lease liabilities and right-of-use assets (rights to use leased assets) must be recognised on the balance sheet. Leases of low value assets and short-term leases with a term of up to 12 months are exempt from this provision as KSB has elected to make use of the practical expedient of accounting for lease payments as an expense. In this context, leased assets with a fair value of up to € 5,000 are defined as low-value assets.

Lease liabilities and right-of-use assets are generally recognised at the time at which the leased asset is made available to KSB by the lessor for use. The carrying amount of the two items is essentially based on the present value of the future minimum lease payments. It is discounted using the incremental borrowing rate of KSB if no interest rate implicitly underlying the lease is available. Extension and termination options are included in the term and the carrying amounts of a lease if it is deemed reasonably certain that they will be exercised by KSB. Only lease components and in particular no separate service components are taken into account in the measurement of lease payments. The right-of-use assets are depreciated over the economic useful life of the leased asset or over the term of the lease, whichever is shorter. Lease liabilities are subsequently measured at amortised cost using the effective interest rate method in the form of a redemption and interest portion. Changes in lease payments are taken into account through remeasurements of lease liabilities. The interest expense for the lease liability and depreciation / amortisation expense for the right-of-use asset are recognised separately.

Property, plant and equipment

In accordance with IAS 16, property, plant and equipment is measured at cost and reduced by straight-line depreciation over its useful life. If an asset's recoverable amount is lower than its carrying amount, an impairment loss is recognised. Property, plant and equipment is always tested for impairment if there are indications as defined in IAS 36 of a possible impairment. If the reasons for an impairment loss recognised in a previous period no longer apply, the impairment loss is reversed (write-up) up to a maximum of amortised cost.

Government grants relating to property, plant and equipment are transferred to an adjustment item on the liabilities side. This item is reversed pro rata over the useful life of the subsidised assets and recognised as other income.

Maintenance expenses are recognised as an expense in the period in which they are incurred, unless they lead to the expansion or material improvement of the asset concerned.

As in the previous year, the following useful lives are applied:

Useful life of property, plant and equipment

Buildings	10 to 50 years
Plant and machinery	5 to 25 years
Other equipment, operating and office equipment	3 to 25 years

Non-current financial assets

Interest-bearing loans are recognised at amortised cost. Financial assets such other cash deposits are subject to an expected credit default risk. The impairment loss is calculated based on the loan amount on the closing or reporting date, the loss ratio of the loan amount and the term-weighted credit default spreads as a benchmark for probability of failure. Furthermore, partial or complete impairment allowances are recognised as soon as there are signs of an increase in default risk.

Non-current other non-financial assets

Investments in non-consolidated subsidiaries are measured at amortised cost.

Defined benefit assets are recognised at the amount by which the fair value of the plan assets exceeds the related defined benefit obligation, less the effects of the asset ceiling in accordance with IAS 19.

Investments accounted for using the equity method

Investments accounted for using the equity method are companies in which the parties exercise joint control (joint venture) or have the power to exercise significant influence over the companies' operating and financial policies (associate); this is usually the case where an entity holds between 20 % and 50 % of the voting power. These assets are recognised at cost at the time of acquisition. If the costs of acquisition exceed the share of the net assets, adjustments are made on the basis of the fair value (pro rata hidden reserves and liabilities). The remaining amount is recognised as goodwill. It forms part of the carrying amount of the joint venture or associate and is not amortised. For subsequent measurement, the carrying amounts are increased / reduced annually by the pro-rata earnings, distributed dividends or other changes in equity of the joint venture or the associate. If local accounting principles differ from the Group's standard accounting policies, adjustments are made accordingly. The share of earnings is reported in the consolidated income statement in a separate line (earnings from investments accounted for using the equity method), and changes such as currency translation effects are taken directly to Group equity. If the losses attributable to the KSB Group correspond to the carrying amount of the company or exceed this, they are not recognised unless KSB has entered into obligations or has made payments for the company. Intercompany gains and losses from transactions between Group companies and investments accounted for using the equity method are offset against the carrying amount in profit or loss. At each reporting date, a review is carried out to determine whether there are any objective indications of impairment, and the amount of such impairment is calculated if required. If the carrying amount exceeds the recoverable amount of an investment, it is written down to the recoverable amount. Any impairments or reversals of impairments are reported in the consolidated income statement under finance income / expense.

Inventories
Pursuant to IAS 2, inventories are recognised at the lower of cost and net realisable value as at the reporting date. Cost is measured using the weighted average method. KSB takes account of the inventory risks resulting from slow-moving goods or impaired marketability through write-downs to the net realisable value. This also applies if the selling price is lower than production cost plus costs still to be incurred. If the reasons for an impairment loss charged in a previous period no longer apply, the impairment loss is reversed (write-up).

Advance payments made on inventories are also presented under inventories because of the correlation and expected realisation of these advances (through conversion into inventories) within the normal business cycle.

Contract assets and contract liabilities
A contract asset shows KSB's claim to consideration in exchange for goods or services transferred to customers, with the right to payment being not only conditional on the passage of time but also on the satisfaction of an overall contractual performance obligation by KSB. By contrast, receivables reflect KSB's unqualified claim to consideration. A contract liability also represents KSB's obligation to transfer goods or services to a customer. However, in these cases KSB has already received consideration from a customer that exceeds the amount of the goods or services provided. Contract assets relate to ongoing projects that have not yet been invoiced and are subject to similar credit risks as trade receivables for the same types of contract. Against this background, the expected loss ratios of trade receivables are also used for risk provisioning for expected credit losses (ECL) of contract assets determined using the simplified impairment model. If it becomes apparent to KSB at the respective project stage that it is sufficiently likely that customers will default on payments, these risks are taken into account by appropriate individual impairment allowances for the contract assets concerned.

Trade receivables
Trade receivables and other current assets are subsequently recognised at amortised cost. Low-interest or non-interest-bearing receivables are discounted. In addition, identifiable risks are taken into account by charging individual impairment losses. Individual impairment allowances are regularly made if insolvency or collection proceedings have been instigated, on the default or failure to meet agreed repayment plans and on overdue payments. Receivables are derecognised if it is reasonably certain that payment cannot be expected. Risk provisioning for expected credit losses (ECL) is recognised under the simplified impairment model according to IFRS 9 for receivables that are not individually impaired. To measure expected credit losses, trade receivables are summarised on the basis of common credit risk features (risk classes) and number of days overdue. The expected default rates stem from the historical payment profiles of sales revenues over the last three financial years before the reporting date. The historical and forward-looking information forms the basis for the expected probability of failure, adjusted for future-oriented macroeconomic factors.

Part of the credit risk exposure of trade receivables is hedged. For more information, please refer to Section VI. Additional Information on Financial Instruments – subsection "Financial risks – Credit risk".

For trade receivables for which collateral, such as credit insurance, has been provided or letters of credit have been opened, risk provisioning is recognised, taking account of default risks of the provider of the security and the company's macroeconomic factors.

If the reasons for an impairment loss charged in a previous period no longer apply, the impairment loss is reversed (write-up).

Other non-financial assets
The prepayments made that are presented in this item relate to accrued expenditure prior to the reporting date that will only be classified as an expense after the reporting date.

Cash and cash equivalents
Cash (cash and sight deposits) and cash equivalents (short-term, highly liquid financial investments that are readily convertible to defined amounts of cash, and that are subject to only immaterial fluctuations in terms of their value) are recognised at amortised cost. Cash and cash equivalents are subject to an expected credit default risk. The impairment allowance under IFRS 9 is calculated based on the loan amount on the closing date, the loss ratio of the loan amount and the term-weighted credit default spreads as a benchmark for probability of failure. Furthermore, partial or complete impairment allowances are recognised as soon as there are signs of an increase in default risk.

Taxes on income
Current taxes on income are recognised in income tax liabilities to the extent that they have not yet been paid. If the amount already paid exceeds the amount owed, an income tax receivable is recognised and reported in other tax assets under other non-financial assets.

Deferred taxes are accounted for in accordance with IAS 12 using the balance sheet liability method on the basis of the enacted or substantively enacted local tax rates. This means that deferred tax assets and liabilities generally arise when the tax base of assets and liabilities differs from their carrying amount in the IFRS financial statements, and this leads to future tax expense or income. KSB recognises deferred tax assets from tax loss carryforwards in those cases where it is more likely than not that there will be sufficient taxable profit available in the near future against which these tax loss carryforwards can be utilised. Deferred taxes are also recognised for consolidation adjustments. Deferred taxes are not discounted. Deferred tax assets and liabilities are always offset where they relate to the same tax authority. Changes to deferred taxes in the consolidated balance sheet generally result in deferred tax expense or income. If, however, a direct entry is made in other comprehensive income in equity, the change in deferred taxes is also taken directly to equity.

Provisions

a) Provisions for pensions and similar obligations

Provisions for pensions and similar obligations under IAS 19 are calculated on the basis of actuarial reports. They are based on defined benefit pension plans. They are measured using the projected unit credit method.

Actuarial gains and losses are taken directly to other comprehensive income and reported in equity under “Remeasurement of defined benefit plans”. The actuarial demographic assumptions and the setting of the discount rate (based on senior, fixed-income corporate bonds) and other measurement parameters (for example income and pension trends) are based on best estimates.

Net interest is calculated by multiplying the discount rate with the net liability (pension obligation minus plan assets) or the net asset value that results if the plan assets exceed the pension obligation.

The defined benefit costs include the service cost, which is included in staff costs under pension costs, and the net interest income or expense on the net liability or net asset value, which is recognised in finance income / expense under interest and similar expenses or under interest and similar income.

Defined benefit assets are reported under non-current other non-financial assets.

No provisions are recognised for defined contribution pension plans. In these cases, the premium payments are recognised directly in staff costs in the income statement. Other than an obligation to pay premiums, KSB has no further obligations and no actuarial risk.

b) Other provisions

Provisions are recognised if an event that occurred by the reporting date of the respective financial year results in a present legal or constructive external obligation that the company has no realistic alternative to settling, where settlement of this obligation is expected to result in an outflow of resources embodying economic benefits, and the amount of the obligation can be estimated reliably. The amount of the provision corresponds to the best estimate of the settlement amount of the current obligation on the reporting date. Any more or less secure recourse or reimbursement claims are recognised as separate assets.

Obligations in the form of expected losses from onerous contracts are recognised if the unavoidable costs to KSB of fulfilling a contract exceed the expected economic benefits. In the case of customer contracts that are expected to be loss-making, first an impairment of contract-related inventories is recognised before additional provisions are recognised. In contrast, contract assets are reported gross on the one hand and provisions for expected losses from onerous customer contracts are recognised on the other hand.

Provisions for restructurings are recognised only if the criteria set out in IAS 37 are met.

Non-current provisions are discounted if the effects are material.

Contingent liabilities

Contingent liabilities, which are not recognised, are potential obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events. Contingent liabilities may also be present obligations that arise from past events where it is possible but not probable that there will be an outflow of resources embodying economic benefits.

Contingent liabilities correspond to the extent of liability at the reporting date.

Sales revenue

KSB generates sales revenue from the sale of goods and goods purchased and held for resale from the production, sale and trade of machinery, systems and other industrial products, particularly pumps and valves and related support services. The breadth of orders with pumps ranges from the supply of an individual pump to customised pump sets, including drive and control systems. These goods and services are sold to engineering contractors, OEMs and end users or, in some cases, distributed via dealers. Some customer contracts contain several service components, such as manufacture of a pump and the related installation and commissioning. These installation services cover integration services and can only be carried out by specifically trained and qualified staff. They are not accounted for as independent performance obligations and the transaction price is not split.

Sales revenue is recognised in the amount of the consideration expected by KSB based on the transfer of goods or provision of services to the customer. Depending on the type of performance and contractual structure, sales revenue is recognised either over time or at a point in time in line with satisfaction of the performance obligation by KSB.

If a performance obligation meets the criteria for recognising sales revenue over time under IFRS 15 and the progress towards completion and expected consideration can be reliably estimated, the sales revenue is recognised based on progress towards complete satisfaction of the performance obligation. KSB specifically recognises sales revenue over time for contracts covering the production of customised pumps and valves as well as contracts for the provision of services. By contrast, standard products in the pumps and valves areas are typically subject to sales revenue recognition at a point in time. KSB applies the input-oriented method to determine progress that is measured by the factors used. The percentage of completion of contracts is determined on the basis of the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs at the reporting date and thus follows the cost-to-cost method. Contract revenue consists of all contractually agreed revenues, as well as additional claims and incentive payments that are likely to result in revenue and are capable of being reliably measured. Contract revenue may vary, for instance because of renegotiations or penalties. Sales revenue is accounted for based on the amount fixed in the contract less expected consideration. Variable considerations (penalties, bonuses) are estimated at the most likely value. Restrictions on estimate options are taken into account. Estimates on costs and contract progress are corrected if circumstances change. Any resultant increases or reductions in the estimated proceeds or costs are reflected in the profit and loss account for the period in which the circumstances giving rise to the correction occurred. If the earnings from a service or production order with sales revenue recognition over time cannot be reliably estimated, revenue will only be recognised in the amount of the contract costs incurred that are likely to be covered and the contract costs recognised as an expense for the period in which they are incurred.

Sales revenue is recognised at a point in time for performance obligations that do not meet the criteria for recognising sales revenue over time under IFRS 15. At KSB, this typically applies in particular to standard products without any material customer-specific characteristic in the Pumps and Valves segments. At the time of revenue recognition, receipt of the consideration must be probable and the amount of sales revenue must be reliably measurable. A reliable estimation of the associated costs and potential return of the goods must also be possible. The point in time at which KSB satisfies the performance obligations from contracts with customers subject to sales revenue recognition at a point in time is generally based on the agreed delivery terms and conditions (INCOTERMS). For certain deliveries and services, a declaration of acceptance by the customer is required for the recognition of sales revenue. The Group generally aims to agree on delivery terms and conditions with the earliest possible transfer of risk. For customer contracts based on sales revenue recognised at a point in time, sales reductions also reduce sales revenue.

KSB agrees payment terms and conditions for customer contracts that allow for payment in a reasonable period after the invoice has been issued. Extended payment terms are not usually granted to customers. There are usually no long-term financing components.

In individual cases and in compliance with the statutory requirements of IFRS 15, a customer may ask to obtain control of a product prior to delivery of the goods (bill-and-hold arrangements). This can result in earlier sales revenue recognition.

For regular fixed-price contracts, the customer pays a fixed amount using a payment plan. Depending on the ratio of the customer payments received to the claim to consideration acquired by KSB based on the transfer of goods and services to the customer, there is an advance or subsequent type of payment on the reporting date for the respective customer contract. Contract assets are reported reduced by advances received, if the amount of the goods and services provided by KSB exceed the payment amount. Payments received from the customer that exceed the amount of the goods and services provided by KSB for the respective customer contract result in the reporting of a contract liability.

Other income statement items

Interest income and expense are recognised in the period in which they occur. Dividend income from investments is collected when the legal entitlement to payment is created. Operating expenses are recognised when they are incurred or when the services are utilised. Income tax is calculated in accordance with the statutory tax rules in the countries in which the Group operates. Deferred taxes are accounted for on the basis of the enacted or substantively enacted income tax rates.

3. Material judgements, estimates and assumptions

The preparation of consolidated financial statements in accordance with the IFRSs as adopted by the EU requires management to make estimates and assumptions that affect the accounting policies to be applied. When implementing such accounting policies, estimates and assumptions affect the assets, liabilities, income and expenses recognised in the consolidated financial statements, and their presentation. These estimates and assumptions are based on past experience and a variety of other factors deemed appropriate under the circumstances. Actual amounts may differ from these estimates and assumptions. The estimates and assumptions made are constantly reviewed. If more recent information and additional knowledge are available, recognised amounts are adjusted to reflect the new circumstances. Any changes in estimates and assumptions that result in material differences are explained separately.

Recoverability of intangible assets, right-of-use assets and property, plant and equipment

Impairment tests for goodwill, which are conducted at least once per year, require an estimate of the recoverable amounts for each cash-generating unit (CGU). These correspond to the higher amount from the fair value less costs to sell and value in use. The earnings forecast on the basis of these estimates are affected by various factors, which may include exchange rate fluctuations, progress in Group integration or the expectations for the economic development of these units. Although management believes that the assumptions used to calculate the recoverable amount are appropriate, any unforeseen changes in these assumptions could lead to an impairment loss.

Estimates and assumptions must also be made when testing other intangible assets, right-of-use assets and property, plant and equipment for impairment. For each asset it must be verified to what extent there are indications of an impairment. When determining the recoverable amount of property, plant and equipment, the estimation of the relevant useful life is subject to uncertainty.

Net realisable value of inventories

Determining the net realisable value of inventories requires in particular estimates of the further marketability of the inventory items and the future development of market prices on the sales markets of KSB in relation to the needed production costs. If the actual development in a later period differs from the original estimates, this may result in an additional impairment requirement for the inventory items or in the reversal of impairments.

Impairments on contract assets and trade receivables

Contract assets and trade receivables are subject to the impairment rules of IFRS 9. The assessments that KSB makes regarding customers' solvency are of central importance here. Depending on the actual payment behaviour of customers, actual defaults on receivables may exceed the impairment losses recognised in previous periods, or impairments may be reversed.

Actuarial assumptions for the measurement of provisions for employee benefits

Provisions for employee benefits, in particular provisions for pensions and similar obligations, are determined according to actuarial principles. These are based on statistical and other factors so as to anticipate future events. Material factors are the reported market discount rates and life expectancy. The actuarial assumptions made may differ from actual developments as a result of changing market and economic conditions. This can have material effects on the amount of provisions and thus on the company's overall net assets, financial position and results of operations. Within the scope of the material pension plans of the German companies, every employee is entitled to apply at any time during the ongoing employment contract for payment in annual instalments, as a one-time payment or as a pension for life. KSB's estimate as to how the specific workforce is likely to decide on exercising the lump-sum option is reviewed on a regular basis and is reflected accordingly in the measurement of pension provisions.

Recognition and measurement of other provisions

Provisions are recognised for uncertain liabilities with a probability of occurrence of more than 50 %. The provision corresponds to the best estimate of the expenditure to fulfil the current obligation on the reporting date. The later, actual outflow can, however, differ from the estimate as a result of changed economic, political or legal conditions. This will be reflected in additional expenses or income from reversals.

Estimates in connection with the accounting treatment of income taxes

The Group's global scope of activities must be taken into account in relation to taxes on income. Based on operative activities in numerous countries with varying tax laws and administrative interpretation, differentiated assessment is required for determining tax liabilities. Uncertainty may arise due to different interpretations by taxable entities on the one hand and local finance authorities on the other. Uncertain tax assets and liabilities are recognised if their probability of occurrence exceeds 50 %. The best estimate of the expected tax payment is used for reporting purposes; depending on the case in question this will take the form of the most probable result or of the expected value. Although KSB believes it has made a reasonable estimate regarding any tax uncertainties, it is possible that the actual tax obligation will differ from the original estimate.

With regard to future tax benefits, KSB assesses their realisability as at every reporting date. For this reason, deferred tax assets are only recognised if sufficient taxable income is available in future. In assessing this future taxable income within the planning horizon of three to five years it must be taken into account that expected future business developments are subject to uncertainties and are in some cases excluded from control by company management (for example changes to applicable tax legislation). If KSB comes to the conclusion that previously reported deferred tax assets cannot be realised because of changed assumptions, then the assets will be written down by the appropriate amount.

Sales revenue recognition over time

If performance obligations meet the relevant criteria of IFRS 15, KSB recognises revenue from customer contracts over time in line with progress towards completion. The progress towards completion is determined according to the percentage of completion. This requires estimates regarding the total contract costs and revenue including the variable considerations of contract risks as well as other relevant factors. These estimates take into account the empirical values of KSB and are reviewed regularly by those with operative responsibility and adjusted where necessary.

Consideration of sustainability issues (ESG)

In connection with the ESG sustainability issues – Environmental (E), Social (S) and Corporate Governance (G) – estimates are required in the preparation of the consolidated financial statements with regard to the impact on the financial statements. ESG-related aspects did not have a material impact on KSB's net assets, financial position and results of operations in the reporting year. For further information in this context, please refer to the Group's opportunities and risks report as part of the combined management report.

Geopolitical and macroeconomic developments

The business activities of the KSB Group take place in an increasingly complex and uncertain macroeconomic and geopolitical environment. The overall picture is characterised by the ongoing difficult economic situation in Europe and by global political tensions. The future global economic growth in important markets is, accordingly, subject to uncertainty.

Overall, a high degree of discretionary assessments and assumptions with regard to the future development of the geopolitical and macroeconomic environment and the impact on KSB's consolidated financial statements is required. For instance, the continuation of global political conflicts might have future repercussions for the Group.

IV. Balance Sheet Disclosures

1. Intangible assets

Statement of changes in intangible assets

€ millions	Concessions, industrial property and similar rights and assets, as well as licences in such rights and assets		Goodwill		Internally generated intangible assets		Advance payments		Intangible assets Total	
Historical cost	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance at 1 January	**84.4**	**79.8**	**33.5**	**32.2**	**46.4**	**43.3**	**3.2**	**2.0**	**167.5**	**157.3**
Currency translation adjustments	0.3	-0.8	0.4	-0.1	–	–	0.0	0.0	0.7	-0.9
Other	–	0.7	–	1.4	–	–	–	–	–	2.1
Additions	4.5	5.2	–	–	2.1	2.7	0.8	1.9	7.4	9.8
Disposals	-0.4	-0.7	-2.5	–	–	–	-0.1	-0.1	-3.0	-0.8
Reclassifications	2.8	0.3	–	–	–	0.4	-2.8	-0.7	–	–
Balance at 31 December	**91.6**	**84.4**	**31.3**	**33.5**	**48.5**	**46.4**	**1.1**	**3.2**	**172.5**	**167.5**
Accumulated depreciation and amortisation	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance at 1 January	**75.1**	**71.4**	**3.0**	**2.4**	**13.6**	**10.8**	**–**	**–**	**91.8**	**84.6**
Currency translation adjustments	0.1	-0.5	0.1	0.0	–	–	–	–	0.2	-0.6
Other	–	0.2	–	–	–	–	–	–	–	0.2
Depreciation / amortisation*	4.4	4.0	–	–	2.9	2.8	–	–	7.3	6.8
Impairment losses*	–	0.1	2.5	0.7	–	–	–	–	2.5	0.8
Reversals of impairments*	–	–	–	–	–	–	–	–	–	–
Disposals	-0.4	-0.1	-2.5	–	–	–	–	–	-2.9	-0.1
Reclassifications	–	–	–	–	–	–	–	–	–	–
Balance at 31 December	**79.2**	**75.1**	**3.1**	**3.0**	**16.6**	**13.6**	**–**	**–**	**98.9**	**91.8**
Carrying amount at 31 December	**12.4**	**9.3**	**28.2**	**30.4**	**31.9**	**32.8**	**1.1**	**3.2**	**73.6**	**75.7**

* In the 2023 consolidated financial statements, depreciation, amortisation, impairment losses and reversals of impairments were summarised in the "Additions" line. To increase transparency, these amounts are now broken down individually. The presentation for the previous year was adjusted accordingly.

The additions to intangible assets amounting to € 7.4 million (previous year: € 9.8 million) are distributed among various software applications.

The "Concessions, industrial property and similar rights and assets, as well as licences in such rights and assets" item includes € 8.9 million (previous year: € 6.5 million) of software including software licences valid for a limited period. As in the previous year, there are no restrictions on ownership or use.

KSB reported internally generated intangible assets of € 31.9 million (previous year: € 32.8 million). These are primarily attributable to the KSBase sales software.

As in the previous year, no product-related development costs were capitalised in the reporting year because not all of the comprehensive recognition criteria defined in IAS 38 were met.

Impairment testing under IAS 36

The date defined by KSB for the mandatory annual impairment testing of goodwill is 30 September of each year. The impairment testing methodology is explained in more detail in Section III. Accounting Policies in the "Intangible assets" sub-section.

Basic assumptions and parameters
The carrying amounts of the cash-generating units in connection with the impairment testing of goodwill do not contain any items relating to income tax or financing activities.

To determine the discount factor, the weighted average cost of capital (WACC) method is applied in conjunction with the capital asset pricing model (CAPM), taking into account a peer group. Under this method, first the cost of equity is determined using CAPM and the borrowing costs are defined, and then the individual capital components are weighted in accordance with the capital structure taking account of the peer group. The peer group information includes aspects like beta factors, capital structure data and borrowing costs. The peer group includes companies that are similar to the Group in terms of industry, size and activity. To account for changes in market parameters, the composition of the peer group is reviewed at regular intervals and adjusted if necessary (e.g. due to changes in the business model of either the cash-generating unit or the comparable company being looked at).

The interest rate for risk-free 30-year Bunds was used as a base rate. This rate was 2.5 % in the reporting year (previous year: 2.7 %). The market risk premium was set at 6.7 % (previous year: 6.7 %), with a beta factor of 1.19 (previous year: 1.25). In addition, country-specific tax rates and country risk premiums are taken into account individually for each cash-generating unit (CGU). The growth rate for the cash-generating units in the reporting year was generally set at 1.5 % (previous year: 1.5 %). The regular review of the peer group did not generate any new findings in relation to the business models of comparative companies. The peer group for examining the weighted capital cost factor therefore remained the same as in the previous year.

Basic parameters for the impairment testing of goodwill considered material (30 September 2024)

Name of CGU	Carrying amount of goodwill € millions	Percentage of total carrying amount of goodwill	Method	Planning time horizon	Discount rate	Growth rate
KSB SupremeServ operating segment of KSB Industries B.V., Netherlands*	10.2	36 %	Value in use	5 years	13.2 % before tax / 10.3 % after tax	1,5 %
Standard Markets Pumps operating segment of KSB Industries B.V., Netherlands*	8.1	29 %	Value in use	5 years	13.1 % before tax / 10.3 % after tax	1,5 %

* The cash-generating units presented here include the KSB SupremeServ and Standard Markets Pumps operating segments of KSB Industries B.V., KSB Manufacturing B.V. and Duijvelaar Pompen B.V.

Basic parameters for the impairment testing of goodwill considered material (30 September 2023)

Name of CGU	Carrying amount of goodwill € millions	Percentage of total carrying amount of goodwill	Method	Planning time horizon	Discount rate	Growth rate
KSB SupremeServ operating segment of D.P. Industries B.V., Netherlands*	10.2	33 %	Value in use	5 years	14.1 % before tax / 10.9 % after tax	1,5 %
Standard Markets Pumps operating segment of D.P Industries B.V., Netherlands*	8.1	27 %	Value in use	5 years	14.3 % before tax / 10.9 % after tax	1,5 %

* The cash-generating units presented here include the KSB SupremeServ and Standard Markets Pumps operating segments of D.P. Industries B.V. (since 2024: KSB Industries B.V.), KSB Manufacturing Netherlands B.V. (since 2024: KSB Manufacturing B.V.) and Duijvelaar Pompen B.V.

Disclosures on material goodwill items

The only goodwill considered material from the Group's perspective, both in the reporting year and in the previous year, was attributable to cash-generating units in the Netherlands totalling € 18.3 million.

In addition, the carrying amount of the other goodwill of € 9.9 million is spread over a large number of the Group's cash-generating units. There are no other significant carrying amounts of individual goodwill in relation to the total carrying amount of the Group's goodwill.

The Group's material assumptions impacting cash flows from the multi-year financial plan on which impairment testing as at 30 September 2024 is based relate to the performance of order intake, sales revenue and earnings before finance income / expense and taxes (EBIT). Growth of over 3 % per year was assumed on average for all three of the aforementioned key indicators over the five-year detailed planning period. The assessments take into account the company's own experience-based knowledge of competitors and markets as well as published economic data collected externally.

For goodwill considered material additional sensitivity analyses were performed based on the parameters as at 31 December 2024. As in the previous year, the following assumptions were made: a 15 % increase in the cost of capital (Sensitivity 1), a reduction in the growth rate to 0.0 % (Sensitivity 2) and a reduction in sales revenue of 10 % with the corresponding impact on expense items and performance indicators (Sensitivity 3). As in the previous year, the sensitivity analyses did not reveal any impairment requirement in the reporting year.

Impairment of goodwill in the 2024 financial year

Name of CGU	Segment	Discount rate (before taxes)	Discount rate (after taxes)	Recoverable amount € millions	Impairment loss € millions
KSB SupremeServ operating segment of KSB Dubric, Inc., USA	KSB SupremeServ	12.7 %	10.4 %	1.3	**2.5**
Total					**2.5**

The goodwill from the Standard Markets Pumps operating segment of KSB Dubric, Inc., USA, was fully amortised in the reporting year.

Impairment loss on goodwill

The goodwill impairments recognised in the reporting year are shown in the above table. Goodwill impairment testing in the previous year resulted in an impairment requirement of € 0.7 million. The impairment losses are recognised in the income statement under depreciation and amortisation.

2. Right-of-use assets

€ millions	31 Dec. 2024	31 Dec. 2023
Right-of-use assets	**57.7**	**46.9**
Of which land and buildings	39.5	30.6
Of which technical equipment and machinery	0.6	0.8
Of which other equipment, operating and office equipment	17.6	15.6

Additions to right-of-use assets in the reporting year amounted to € 30.5 million (previous year: € 25.9 million).

Depreciation on right-of-use assets in the reporting year was as follows:

€ millions	2024	2023
Depreciation on right-of-use assets	**19.9**	**18.4**
Of which land and buildings	11.7	11.1
Of which technical equipment and machinery	0.4	0.4
Of which other equipment, operating and office equipment	7.7	7.0

Write-downs for the previous year include impairment losses on rights to use land and buildings in the KSB SupremeServ Segment amounting to € 0.2 million. There were no impairments on right-of-use assets in the reporting year.

3. Property, plant and equipment

Impairment losses on property, plant and equipment of € 1.9 million (previous year: € 1.5 million) were recognised in the reporting year. The Pumps Segment was affected by the impairments in the amount of € 0.2 million (previous year: € 0.9 million), the Valves Segment in the amount of € 1.7 million and the KSB SupremeServ Segment in the amount of € 0.6 million in the previous year.

Of the total reversals of impairments on property, plant and equipment amounting to € 0.8 million (previous year: € 2.2 million), € 0.5 million (previous year: € 1.8 million) related to the Pumps Segment, € 0.3 million (previous year: € 0.1 million) to the KSB SupremeServ Segment and a further € 0.3 million in the previous year to the Valves Segment.

The impairment losses and reversals are reported in the income statement under depreciation and amortisation.

Disposals of intangible assets and items of property, plant and equipment resulted in book gains of € 1.2 million (previous year: € 0.9 million) and book losses of € 1.0 million (previous year: € 1.0 million). The book gains and losses are reported in the income statement under other income and other expenses.

Statement of changes in property, plant and equipment

€ millions	Land and buildings		Plant and machinery		Other equipment, operating and office equipment		Advance payments and assets under construction*		Property, plant and equipment	
Historical cost	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance at 1 January	**531.0**	**509.3**	**695.0**	**680.4**	**271.6**	**259.5**	**45.8**	**50.5**	**1,543.5**	**1,499.8**
Currency translation adjustments	5.0	-9.2	13.5	-12.6	3.8	-4.8	0.7	-1.1	22.9	-27.6
Other	–	–	–	0.1	–	0.6	–	–	–	0.6
Additions	25.7	19.8	28.3	22.4	27.6	23.0	50.9	34.8	132.4	99.9
Disposals	-1.8	-3.3	-9.5	-12.6	-11.0	-13.0	-0.1	-0.2	-22.4	-29.1
Reclassifications	14.1	14.3	16.7	17.3	4.3	6.4	-35.2	-38.1	–	–
Balance at 31 December	**573.9**	**531.0**	**744.0**	**695.0**	**296.4**	**271.6**	**62.1**	**45.8**	**1,676.4**	**1,543.5**
Accumulated depreciation and amortisation	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance at 1 January	**242.4**	**236.1**	**507.0**	**497.9**	**191.9**	**187.2**	**–**	**–**	**941.3**	**921.3**
Currency translation adjustments	2.6	-3.4	10.7	-8.1	3.1	-3.2	–	–	16.5	-14.7
Other	–	–	–	0.0	–	0.3	–	–	–	0.4
Depreciation / amortisation**	14.6	13.7	30.0	29.0	22.1	20.0	–	–	66.6	62.7
Impairment losses**	0.2	0.4	1.7	0.9	–	0.2	–	–	1.9	1.5
Reversals of impairments**	-0.8	-1.7	–	-0.4	–	-0.1	–	–	-0.8	-2.2
Disposals	-1.8	-2.7	-9.3	-12.4	-10.2	-12.4	–	–	-21.3	-27.6
Reclassifications	0.0	–	-0.1	0.1	0.1	-0.1	–	–	–	–
Balance at 31 December	**257.3**	**242.4**	**539.9**	**507.0**	**207.1**	**191.9**	**–**	**–**	**1,004.2**	**941.3**
Carrying amount at 31 December	**316.7**	**288.6**	**204.1**	**188.0**	**89.3**	**79.7**	**62.1**	**45.8**	**672.2**	**602.2**

* The carrying amount of advance payments on property, plant and equipment as at the reporting date is € 16.2 million (previous year: € 13.9 million).

** In the 2023 consolidated financial statements, depreciation, amortisation, impairment losses and reversals of impairments were summarised in the "Additions" line. To increase transparency, these amounts are now broken down individually. The presentation for the previous year has been adjusted accordingly.

4. Financial assets

The non-current financial assets in the amount of € 1.9 million (previous year: € 1.2 million) were attributable to equity investments of € 1.0 million (previous year: € 1.0 million).

In the reporting year, as in the previous year, no material impairment losses on loans were recognised, because no significant default risks were identified.

5. Other non-financial assets

€ millions	31 Dec. 2024	31 Dec. 2023
Other investments	4.1	3.7
Defined benefit assets	7.0	4.0
	11.0	**7.7**

Other investments are investments in affiliates that were not consolidated due to there being no material impact. As in the previous year, there was no depreciation and amortisation applied in the reporting year.

6. Investments accounted for using the equity method

The following table lists the KSB Group's material joint ventures. "Seat" refers to the country in which the main activity is performed. All joint ventures and associates are accounted for using the equity method and can also be found in the list of shareholdings in these Notes to the Consolidated Financial Statements. The share of capital corresponds to the share of voting rights.

→ **Material joint ventures**

Neither of the two material joint ventures is listed on a stock market, which is why there is no active market.

Summarised financial information on these material joint ventures of the KSB Group and a combined summary for all the individually immaterial joint ventures and associated companies are provided in the following tables:

→ **Summarised balance sheet**

→ **Summarised statement of comprehensive income**

→ **Reconciliation to carrying amount of Group share in joint ventures**

→ **Summarised information on joint ventures and associates that are immaterial individually**

As in the previous year, there are no pro rata losses that have not been recognised from the consolidation at equity.

Material joint ventures

Name and seat	Capital share	Nature of the entity's relationship
KSB Pumps Arabia Ltd., Saudi Arabia	50.00%	KSB Pumps Arabia Ltd. in Riyadh, Saudi Arabia, offers a wide range of services and activities for the energy market as well as in water, waste water and building services applications. The portfolio includes business development and marketing, supply chain management, production of pressure booster systems and pump sets, sale of pumps, valves and systems and technical service activities. KSB Pumps Arabia Ltd. is important for the growth of the Group in the Saudi Arabian market.
Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd., China	45.00%	Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd. in Shanghai, China, produces suitable auxiliary pumps for the secondary coolant circuits and modern reactor coolant pumps for the primary cooling circuits of nuclear power stations. Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd. is a strategic partnership on the part of the Group, through which KSB is participating in the expansion of energy capacity in China and other Asian markets.

Summarised balance sheet

	KSB Pumps Arabia Ltd.		Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd.	
€ millions	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
Non-current assets	11.4	9.9	77.1	76.7
Current assets	50.6	45.3	247.7	196.5
Of which cash and cash equivalents	4.3	2.7	60.1	42.1
Non-current liabilities	-8.4	-7.5	0.0	-6.4
Of which non-current financial liabilities (excluding trade payables and provisions)	-6.5	-6.1	–	-6.4
Current liabilities	-35.9	-34.0	-276.8	-223.6
Of which current financial liabilities (excluding trade payables and provisions)	-8.4	-10.4	-12.8	-12.7
Net assets	**17.7**	**13.6**	**48.0**	**43.2**

Summarised statement of comprehensive income

	KSB Pumps Arabia Ltd.		Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd.	
€ millions	**2024**	**2023**	**2024**	**2023**
Sales revenue	48.1	40.1	85.0	86.3
Depreciation / amortisation	0.9	1.0	4.0	4.9
Interest income	–	–	0.3	0.2
Interest expense	-1.0	-0.9	-0.4	-0.7
Earnings from continuing operations	3.8	2.7	3.2	2.0
Taxes on income	-0.4	-0.4	-0.1	3.4
Earnings after taxes from continuing operations	**3.3**	**2.3**	**3.1**	**5.4**
Earnings after taxes from discontinued operations	–	–	–	–
Other comprehensive income	0.8	0.1	1.6	-2.7
Comprehensive income	**4.1**	**2.4**	**4.7**	**2.8**
Dividends received from joint ventures	**–**	**–**	**–**	**–**

Reconciliation to carrying amount of Group share in joint ventures

€ millions	KSB Pumps Arabia Ltd. 2024	KSB Pumps Arabia Ltd. 2023	Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd. 2024	Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd. 2023
Net carrying amount at 1 January	13.6	11.3	43.2	40.4
Earnings after income tax	3.3	2.3	3.1	5.4
Distribution of dividends	–	–	–	–
Other comprehensive income	0.8	0.1	1.6	-2.7
Net carrying amount at 31 December	**17.7**	**13.6**	**48.0**	**43.2**
Investment in joint venture (50 % / 45 %)	8.9	6.8	21.6	19.4
Elimination of intercompany profit and loss*	-1.3	-1.1	-6.4	-6.9
Goodwill	–	–	–	–
Carrying amount at 31 December	**7.6**	**5.7**	**15.2**	**12.6**

* The cumulative effects shown as elimination of intercompany profits and loss in the reconciliation to the carrying amount of KSB's investment in Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd., Shanghai, China, result from eliminations in connection with the oncharging of product licences from KSB SE & Co. KGaA, Frankenthal/Pfalz, to this joint venture.

Summarised information on joint ventures and associates that are immaterial individually

€ millions	Joint ventures 2024	Associates 2024	Total 2024	Joint ventures 2023	Associates 2023	Total 2023
Group share of earnings from continuing operations	2.0	1.4	3.4	0.6	1.0	1.6
Group share of other comprehensive income	0.3	–	0.3	-0.2	–	-0.2
Group share of comprehensive income	2.4	1.4	3.7	0.4	1.0	1.4
Elimination of intercompany profit and loss	0.0	–	0.0	0.0	–	0.0
Dividend distributed to the Group	-0.1	-0.9	-1.0	0.0	-0.8	-0.8
Total carrying amounts of Group shares in these companies	**6.7**	**2.2**	**8.9**	**4.4**	**1.8**	**6.2**

7. Inventories

€ millions	31 Dec. 2024	31 Dec. 2023
Raw materials, consumables and supplies	271.4	268.2
Work in progress	258.9	261.2
Finished goods and goods purchased and held for resale	210.4	196.2
Advance payments	24.2	22.9
	764.8	**748.4**

As at the reporting date, inventories amounting to € 58.7 million (previous year: € 57.3 million) are carried at net realisable value.

The impairment losses on inventories recognised as an expense in the reporting period amount to € 21.5 million (previous year: € 21.8 million).

Reversals of impairments on inventories in the amount of € 3.5 million (previous year: € 7.9 million) resulted from increased net realisable values compared with the previous year. Impairment losses and reversals of impairments on inventories are recognised in the income statement under cost of materials and changes in inventories.

Inventories amounting to € 1,170.0 million (previous year: € 1,129.4 million) were recognised as an expense in the reporting period.

Of the inventories as at the reporting date, work in progress and finished goods amounting to a total of € 88.8 million (previous year: € 88.7 million) have a maturity of more than one year.

8. Contract assets, trade receivables and other financial and non-financial assets

€ millions	31 Dec. 2024	31 Dec. 2023
Contract assets	**56.9**	**59.0**
Trade receivables	**605.4**	**554.6**
Trade receivables from third parties	559.5	505.8
Trade receivables from related parties	45.9	48.8
Other financial assets	**89.9**	**70.9**
Receivables from loans to related parties	3.4	4.7
Currency forwards	2.5	2.3
Other receivables and other current assets	84.0	63.9
Other non-financial assets	**51.7**	**44.3**
Other tax assets	35.1	33.6
Prepaid expenses	16.6	10.7

At € 56.9 million (previous year: € 59.0 million), the balance of contract assets at the end of the reporting year was at a comparable level to the previous year. Impairment losses on contract assets amounted to € 1.2 million (previous year: € 1.6 million). Of the contract assets as at the reporting date, € 11.8 million (previous year: € 12.3 million) relate to project orders with customers whose completion is not expected until more than one year after the reporting date.

Impairment losses of € 34.4 million (previous year: € 33.8 million) were recognised on trade receivables from third parties as at the reporting date.

Impairment losses on trade receivables and contract assets include the individual impairment allowance (EWB) and risk provisioning for expected credit losses (ECL).

Impairment losses of € 0.2 million (previous year: € 0.2 million) were recognised on trade receivables from related parties as at the reporting date. The impairment losses relate entirely to receivables from other equity investments. As in the previous year, no impairment losses were recognised for receivables from loans to related parties as at the reporting date.

For further information on relationships with related parties, please refer to the relevant details in Section IX. Other Disclosures.

Impairment losses on trade receivables from third parties

€ millions	31 Dec. 2024	31 Dec. 2023
Gross carrying amount of trade receivables from third parties	593.9	539.6
Of which unhedged receivables	419.7	373.7
Of which hedged receivables	174.2	165.9
Individual impairment allowance (EWB)	-31.3	-29.7
Risk provisioning for expected credit losses (ECL)	-3.2	-4.1
Of which ECL for unhedged receivables	-2.3	-3.3
Of which ECL for hedged receivables	-0.9	-0.7
Net carrying amount of trade receivables from third parties	**559.5**	**505.8**

Impairment losses on contract assets

€ millions		31 Dec. 2024	31 Dec. 2023
Gross carrying amount of contract assets		58.1	60.6
Individual impairment allowance (EWB)		-0.9	-1.2
Risk provisioning for expected credit losses (ECL)		-0.3	-0.4
Net carrying amount of contract assets		**56.9**	**59.0**
Expected credit default risk in relation to ECL	**in %**	**0.4**	**0.7**

The reconciliation of impairment losses on trade receivables from third parties and contract assets between the opening and closing balance sheets is shown in the following tables.

The expected credit default risk of unhedged trade receivables from third parties determined based on the simplified impairment model is distributed over the age structure of the receivables portfolio at gross carrying amount as shown in the table below.

→ **Risk provisioning for expected credit losses by maturity of trade receivables**

In the case of unhedged trade receivables from third parties with high overdue amounts, risk provisioning for expected credit losses (ECL) in the reporting year partly results in a lower expected credit risk compared with time bands with lower overdue amounts. This is the result of the relatively high recognition of individual impairments for the entirety of the far overdue open receivables items.

Other receivables and other current assets include hedges of credit balances prescribed by law for partial retirement arrangements and long-term working time accounts of the German Group companies in the amount of € 13.0 million (previous year: € 15.8 million).

€ 41.4 million (previous year: € 37.6 million) of total receivables and other assets are due after more than one year.

Reconciliation of impairment losses 2024

	Trade receivables from third parties			Contract assets		
€ millions	**EWB**	**ECL**	**Gesamt**	**EWB**	**ECL**	**Total**
Opening balance at 1 January	**-29.7**	**-4.1**	**-33.8**	**-1.2**	**-0.4**	**-1.6**
Additions	-10.5	-0.6	-11.2	0.0	0.0	0.0
Utilisation	2.0	–	2.0	–	–	–
Reversal	7.0	1.4	8.4	0.3	0.2	0.5
Currency translation / Other	0.0	0.2	0.2	-0.1	0.0	-0.1
Closing balance at 31 December	**-31.3**	**-3.2**	**-34.4**	**-0.9**	**-0.3**	**-1.2**

Reconciliation of impairment losses 2023

	Trade receivables from third parties			Contract assets		
€ millions	**EWB**	**ECL**	**Gesamt**	**EWB**	**ECL**	**Total**
Opening balance at 1 January	**-29.4**	**-3.5**	**-32.8**	**-1.3**	**-0.4**	**-1.6**
Additions	-12.2	-2.2	-14.4	-0.2	-0.2	-0.4
Utilisation	2.2	–	2.2	–	–	–
Reversal	8.3	1.3	9.6	–	0.1	0.1
Currency translation / Other	1.4	0.3	1.7	0.3	0.1	0.3
Closing balance at 31 December	**-29.7**	**-4.1**	**-33.8**	**-1.2**	**-0.4**	**-1.6**

Risk provisioning for expected credit losses by maturity of trade receivables

31 Dec. 2024		Not overdue	Up to 30 days	Up to 90 days	Up to 180 days	Up to 360 days	Over 360 days	Total
Gross carrying amount of unhedged trade receivables from third parties	€ millions	269.0	52.5	37.4	18.5	13.4	29.0	419.7
ECL	€ millions	-1.2	-0.3	-0.3	-0.1	-0.1	-0.2	-2.3
Expected credit default risk in relation to ECL	in %	0.4	0.5	0.8	0.8	1.1	0.8	–
31 Dec. 2023								
Gross carrying amount of unhedged trade receivables from third parties	€ millions	243.0	46.9	27.9	19.8	10.3	25.8	373.7
ECL	€ millions	-1.6	-0.4	-0.5	-0.4	-0.3	-0.2	-3.3
Expected credit default risk in relation to ECL	in %	0.6	0.9	1.6	2.0	3.3	0.7	–

9. Cash and cash equivalents

Cash and cash equivalents are term deposits with short maturities and call deposits, and also current account balances. Cash equivalents include short-term deposits with an original maturity of less than three months.

In the reporting year, as in the previous year, no material impairment losses were recognised on cash and cash equivalents as no significant default risks were identified.

As in the previous year, the cash and cash equivalents reported as at the reporting date are not subject to any material restrictions on disposal by KSB.

10. Equity

There was no change in the share capital of KSB SE & Co. KGaA as against the previous year. In accordance with the Articles of Association, it totals € 44,771,963.82 and, as in the previous year, is composed of 886,615 ordinary shares and 864,712 preference shares. Each no-par-value share represents an equal notional amount of the share capital. The preference shares carry separate cumulative preferred dividend rights and progressive additional dividend rights. All shares are no-par-value bearer shares. The individual shares have no par value.

The capital reserve results from the appropriation of premiums from capital increases in previous years.

In addition to revenue reserves from previous years, the revenue reserves include currency translation adjustments, consolidation effects, remeasurements of defined benefit plans under IAS 19 and changes in the fair value of derivatives taken directly to equity. These issues resulted in deferred tax assets in the amount of € 54.3 million (previous year: € 57.7 million) and deferred tax liabilities in the amount of € 0.6 million (previous year: € 0.8 million).

The development of the currency translation differences recognised in equity is shown in the table below.

→ **Development of currency translation differences in equity**

Development of currency translation differences in equity

€ millions	Currency translation differences in equity attributable to shareholders of KSB SE & Co. KGaA	Currency translation differences in non-controlling interests	Total amount of currency translation differences in equity
1 Jan. 2023	-112.3	-21.2	-133.5
Change in 2023	-24.9	-8.4	-33.4
31 Dec. 2023	**-137.3**	**-29.6**	**-166.9**
1 Jan. 2024	-137.3	-29.6	-166.9
Change in 2024	10.7	12.2	23.0
31 Dec. 2024	**-126.6**	**-17.4**	**-143.9**

A total of € 45.8 million (dividend of € 26.00 per ordinary share and € 26.26 per preference share) was paid from equity by resolution of the Annual General Meeting of the Group's parent company KSB SE & Co. KGaA, Frankenthal, on 8 May 2024.

The proposal on the appropriation of the net retained earnings of KSB SE & Co. KGaA for the reporting year calculated in accordance with HGB [*Handelsgesetzbuch* – German Commercial Code] is shown at the end of these Notes.

The development of the equity items, including the non-controlling interests explained in more detail below, is p in the statement of changes in equity.

Non-controlling interests

The table below shows the subsidiaries with material non-controlling interests from the Group's perspective. "Seat" refers to the country in which the main activity is performed.

Non-controlling interest relates primarily to PAB Pumpen- und Armaturen-Beteiligungsges. mbH, Frankenthal / Pfalz, and the interests it holds, as well as to companies in India and China. KSB SE & Co. KGaA, Frankenthal / Pfalz, holds a 51 % interest in PAB Pumpen- und Armaturen-Beteiligungsges. mbH, while Johannes und Jacob Klein GmbH, Frankenthal / Pfalz, holds a 49 % interest.

Information on the subgroup that comprised the subsidiaries of the KSB Group listed in the relevant table as at 31 December 2024 is summarised under the name "PAB".

The summarised financial information regarding the KSB Group's subsidiaries with material non-controlling interests and the PAB subgroup considered here is provided below. Except for the details on the PAB subgroup, this information corresponds to the amounts shown in the subsidiaries' financial statements prepared in accordance with IFRS prior to intercompany eliminations.

The required intercompany eliminations were taken into consideration for the PAB subgroup.

→ **Summarised balance sheet**

→ **Summarised statement of comprehensive income**

→ **Summarised statement of cash flows**

Subsidiaries with material non-controlling interests

Name and seat	Non-controlling interest in capital	Earnings after income tax attributable to non-controlling interests		Accumulated non-controlling interests in equity	
€ millions	**2024 / 2023**	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
PAB, Germany / USA (subgroup)	49.00 %	7.5	8.0	111.2	103.7
KSB Limited, India	59.46 %	16.2	13.3	98.3	83.2
KSB Shanghai Pump Co., Ltd., China	20.00 %	2.2	1.8	9.4	8.6
Subsidiaries with individually immaterial non-controlling interests		2.9	1.3	23.9	21.0
Total amount of non-controlling interests		**28.7**	**24.3**	**242.9**	**216.5**

Composition of the PAB subgroup as at 31 December 2024

Cons. No.	Name and seat	Country	Capital share in %	Held by cons. no
1	PAB Pumpen- und Armaturen-Beteiligungsges. mbH, Frankenthal	Germany	51.00	–
2	KSB America Corporation, Richmond / Virginia	USA	100.00	1
3	KSB GIW, Inc., Grovetown / Georgia	USA	100.00	2
4	KSB Dubric, Inc., Comstock Park / Michigan	USA	100.00	2
5	KSB, Inc., Richmond / Virginia	USA	100.00	2
6	KSB, Inc. – Western Division, Bakersfield / California	USA	100.00	2
7	Standard Alloys Incorporated, Port Arthur / Texas	USA	100.00	2

Summarised balance sheet

€ millions	PAB 31 Dec. 2024	PAB 31 Dec. 2023	KSB Limited 31 Dec. 2024	KSB Limited 31 Dec. 2023	KSB Shanghai Pump Co., Ltd. 31 Dec. 2024	KSB Shanghai Pump Co., Ltd. 31 Dec. 2023
Non-current assets	119.5	103.9	65.5	58.3	38.5	29.2
Current assets	185.5	182.6	196.3	166.0	169.3	149.8
Non-current liabilities	-17.2	-13.1	-2.9	-2.3	-1.0	-0.4
Current liabilities	-56.5	-56.9	-92.7	-81.2	-158.5	-134.2
Net assets	**231.2**	**216.5**	**166.1**	**140.9**	**48.3**	**44.3**

Summarised statement of comprehensive income

€ millions	PAB 2024	PAB 2023	KSB Limited 2024	KSB Limited 2023	KSB Shanghai Pump Co., Ltd. 2024	KSB Shanghai Pump Co., Ltd. 2023
Sales revenue	298.1	292.9	280.9	250.8	210.1	186.3
Earnings after income tax	13.9	16.1	27.5	23.3	10.9	9.1
Other comprehensive income	15.1	-6.9	4.6	-5.4	1.6	-2.9
Comprehensive income	29.0	9.2	32.0	17.9	12.6	6.2
Other comprehensive income attributable to non-controlling interests	7.4	-3.4	2.7	-3.2	0.3	-0.6
Comprehensive income attributable to non-controlling interests	14.2	4.5	19.0	10.1	2.5	1.2
Dividends paid to non-controlling interests	-7.4	–	-4.0	-3.5	-1.7	-1.7

Summarised statement of cash flows

€ millions	PAB 2024	PAB 2023	KSB Limited 2024	KSB Limited 2023	KSB Shanghai Pump Co., Ltd. 2024	KSB Shanghai Pump Co., Ltd. 2023
Cash flows from operating activities	29.4	32.4	23.4	16.6	12.9	21.3
Cash flows from investing activities	-24.5	-10.4	-18.9	-0.2	-9.0	-2.4
Cash flows from financing activities	-17.3	-4.0	-7.1	-6.6	-12.9	-9.3
Changes in cash and cash equivalents	**-12.4**	**18.0**	**-2.6**	**9.8**	**-9.0**	**9.6**
Cash and cash equivalents at beginning of period	30.0	11.9	13.1	3.7	47.6	40.7
Effects of exchange rate changes	2.8	0.2	0.4	-0.4	0.8	-2.8
Cash and cash equivalents at end of period	**20.4**	**30.0**	**10.9**	**13.1**	**39.4**	**47.6**

11. Provisions for pensions and similar obligations

The pension obligations in the KSB Group include defined contribution and defined benefit plans and contain both obligations from current pensions and future pension benefit entitlements.

Defined contribution pension plans

The expenses for statutory defined contribution pension plans in the reporting year amounted to € 66.3 million (previous year: € 62.3 million). Of this figure, € 31.7 million (previous year: € 28.9 million) resulted from contributions into the statutory pension insurance scheme in Germany. For voluntary defined contribution pension plans, expenses of € 7.8 million (previous year: € 7.1 million) were recognised.

Description of the defined benefit pension plans

The obligations for defined benefit pension plans for employees of the Group are mainly due to pension obligations in Germany, as well as in France, the United States and Switzerland.

Around 90 % of the defined benefit plans are attributable to the German Group companies. These relate to direct commitments by the companies to their employees. The commitments are based on salary and length of service. Contributions from employees themselves are also considered. This pension provision can be broken down into purely company-financed basic provision and the top-up provision from the employer. The latter is based on the amount of own contributions and the generated return on sales before taxes on income. Both components take account of the general pension contribution (the amount of which partially depends on company performance), personal income (the relationship between pensionable income and maximum income threshold) and the annuity conversion factor (based on age). Within the scope of the material pension plans of the German companies, every employee is entitled to apply at any time during the ongoing employment contract for payment in annual instalments, as a one-time payment or as a pension for life.

Pension schemes in France are governed by the provisions of the respective collective agreements. The obligations are basically covered by assets that have been paid in to an external fund. Upon retirement, the employees concerned receive a one-off payment from the fund.

The defined benefit pension plans in the United States are closed to new entrants. The pension benefit amount is derived from the average salary and years of service before closure of the plan. The retirement age is 65 years; from this point a monthly payment is made to the beneficiaries. The pension benefits are financed by external funds.

The obligations for defined benefit pension plans in Switzerland are based on occupational pensions in accordance with the *Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge* (BVG) [Swiss Federal Act on Occupational Retirement, Surviving Dependants', and Disability Pension Plans]. Every employee of a company with a total annual income above a certain minimum amount is insured in the employer's pension fund as a mandatory requirement. The occupational pension plan, as the second pillar of the Swiss pension system supplementing the state pension plan as the first pillar which is classified as a defined contribution plan, includes defined additional benefits in old age, in the event of disability or in the event of death with the aim of safeguarding the accustomed standard of living. Both employer and employee contributions are paid to finance this. If the pension fund has a shortfall, the employer is obliged to make up for it. The pension benefits after retirement are paid out as a monthly pension, as a one-off lump-sum payment or in the form of a combination of these, according to the choice of the employee.

In addition, employees in other countries are also entitled to a limited extent to retirement and partly to medical care benefits, depending mainly on the length of service and salary.

These defined benefit plans harbour actuarial risks, such as the longevity risk and interest rate risk. The payments associated with the pension obligations are mostly serviced through liquidity. Plan assets are also partially available for financing these obligations. Most of the plan assets are managed by insurers who set their own appropriate investment policies.

The actuarial valuations of the present value of the defined benefit obligation (and the related current service cost and the past service cost) are measured and calculated annually on the basis of actuarial reports using the projected unit credit method (IAS 19). Plan assets are measured at fair value.

Explanation of the effects of the defined benefit pension plans on the balance sheet and income statement

The regional allocation of the total defined benefit pension plans from the Group's point of view, as well as the change in the present value of the defined benefit obligation, the fair value of plan assets and the net liability from defined benefit obligations, as consolidated for the Group, is presented in the following tables.

→ **Regional allocation of the defined benefit pension plans**

→ **Changes in the present value of defined benefit obligations**

→ **Changes in the fair value of plan assets**

→ **Changes in the net defined benefit liability / asset**

Current and past service costs are recognised in staff costs under pension costs.

The interest rate effect from accounting for the defined benefit pension plans, in the form of interest expenses from the DBO and interest income from the plan assets, is recognised in the income statement as a net amount in the interest and similar expenses item and thus in the finance income / expense.

The remeasurement of defined benefit obligations and plan assets as well as the change in the asset ceiling are included in other comprehensive income and thus directly in the Group's equity.

Overall, because of the asset ceiling stipulated in IAS 19, a surplus of plan assets over the present value of the related defined benefit obligations in the amount of € 3.9 million (previous year: € 3.5 million) is not recognised as an asset as at the reporting date.

KSB does not derive any future economic benefit from this surplus in the form of reduced contributions or a refund.

Explanation of the plan assets

The composition of the plan assets is explained in the table of the same name.

→ **Composition of plan assets**

In principle, the pension funds are endowed with the amount needed to meet the respective statutory minimum requirements.

The actual income from plan assets amounted to € 5.7 million (previous year: € 3.5 million).

In the following year, employer contributions to plan assets are expected to amount to € 4.2 million.

Regional allocation of the defined benefit pension plans

€ millions	Defined benefit obligations (DBOs)	Fair value of plan assets	Effect of the asset ceiling	Net liability / asset	Defined benefit obligations (DBOs)	Fair value of plan assets	Effect of the asset ceiling	Net liability / asset
	31 Dec. 2024				31 Dec. 2023			
Germany	468.4	–	–	468.4	476.6	–	–	476.6
France	10.0	-1.8	–	8.2	9.7	-2.2	–	7.5
USA	10.6	-16.7	–	-6.0	10.1	-13.3	–	-3.2
Switzerland	14.3	-13.7	–	0.6	12.9	-12.4	–	0.5
Other countries	41.5	-34.0	3.9	11.5	40.6	-33.3	3.5	10.8
	544.8	**-66.1**	**3.9**	**482.6**	**549.8**	**-61.3**	**3.5**	**492.1**

Changes in the present value of defined benefit obligations

€ millions	2024	2023
Opening balance of the defined benefit obligation (DBO) – 1 Jan.	**549.8**	**509.4**
Current service cost	12.2	10.0
Interest cost	17.9	19.0
Employee contributions	0.3	0.4
Remeasurements		
– / + Gain / loss from changes in demographic assumptions	0.1	-0.3
– / + Gain / loss from changes in financial assumptions	-13.1	40.7
– / + Experience-based gain / loss	0.9	0.0
Benefit payments	-24.6	-28.8
Past service cost (incl. effects of settlements and curtailments)	-0.3	0.2
Currency translation differences	1.4	-0.7
Changes in consolidated Group / Other	–	–
Closing balance of the defined benefit obligation (DBO) – 31 Dec.	**544.8**	**549.8**

Changes in the fair value of plan assets

€ millions	2024	2023
Opening balance of the plan assets measured at fair value – 1 Jan.	**61.3**	**65.1**
Interest income	2.9	3.0
Remeasurements		
+ / – Gain / loss from plan assets excluding amounts already recognised in interest income	2.8	0.5
Contributions by the employer	1.7	1.1
Contributions by the beneficiary employees	0.3	0.4
Currency translation differences	2.0	-0.4
Paid benefits	-4.7	-8.2
Changes in consolidated Group / Other	-0.2	-0.1
Closing balance of the plan assets measured at fair value – 31 Dec.	**66.1**	**61.3**

Changes in the net defined benefit liability / asset

€ millions	2024	2023
Opening balance of the net defined benefit liability / asset – 1 Jan.	**492.1**	**448.1**
Current service cost	12.2	10.0
Net interest expense	15.2	16.2
Employee contributions	–	–
Contributions by the employer	-1.7	-1.1
Remeasurements		
– / + Gain / loss from plan assets excluding amounts already recognised in interest income	-2.8	-0.5
– / + Gain / loss from changes in demographic assumptions	0.1	-0.3
– / + Gain / loss from changes in financial assumptions	-13.1	40.7
– / + Experience-based gain / loss	0.9	0.0
Change in the asset ceiling	0.1	-0.5
Benefit payments	-19.8	-20.6
Past service cost (incl. effects of settlements and curtailments)	-0.3	0.2
Currency translation differences	-0.4	-0.2
Changes in consolidated Group / Other	0.2	0.1
Closing balance of the net defined benefit liability / asset – 31 Dec.	**482.6**	**492.1**
Of which defined benefit assets	7.0	4.0
Of which provisions for pensions and similar obligations	489.6	496.1

Composition of plan assets

€ millions	Quoted market price in an active market 31 Dec. 2024	No quoted market price in an active market 31 Dec. 2024	Total 31 Dec. 2024	Quoted market price in an active market 31 Dec. 2023	No quoted market price in an active market 31 Dec. 2023	Total 31 Dec. 2023
Equity instruments (shares)	21.0	–	21.0	17.5	–	17.5
Debt instruments (loans)	21.1	–	21.1	21.4	–	21.4
Of which government bonds	14.3	–	14.3	16.4	–	16.4
Of which corporate bonds	6.8	–	6.8	5.0	–	5.0
Money market investments	0.7	0.2	0.9	1.5	0.4	1.8
Real estate	0.4	0.1	0.5	3.0	0.1	3.0
Insurance contracts	5.1	11.4	16.6	0.0	9.3	9.3
Bank credit balances	3.3	0.3	3.7	0.5	5.1	5.6
Other investments	2.4	–	2.4	1.9	0.6	2.6
	54.1	**12.0**	**66.1**	**45.8**	**15.4**	**61.3**

Actuarial assumptions, sensitivities and other disclosures on defined benefit pension plans

As in the previous year, measurement of the German pension plans is based on a mean fluctuation rate of 2.0 %. The biometric assumptions continue to be based on the 2018G mortality tables published by Prof. Dr. Klaus Heubeck. The retirement age used for the calculations is based on the *Rentenversicherungs-Altersgrenzenanpassungsgesetz 2007* [RVAGAnpG – German Act Adapting the Standard Retirement Age for the Statutory Pension Insurance System]. Other measurement parameters (e.g. cost trends in the medical care area) are not material.

The discount rate and future mortality were identified as key actuarial assumptions.

Discount rate

in %	31 Dec. 2024	31 Dec. 2023
Germany	3.4	3.2
France	3.4	3.2
USA	5.0	5.3
Switzerland	1.1	2.0

As in the previous year the basis for the calculation of the sensitivities is the same method which was used for the calculation of the provisions for pensions and similar obligations. Were the discount factor to increase by 100 basis points, the DBO would fall by € 58.5 million (previous year: € 62.2 million). A 100 basis point reduction in the discount factor would increase the DBO by € 72.9 million (previous year: € 78.2 million). It should be noted that a change in the discount factor due to particular financial effects (such as compound interest) does not affect the development of the DBO on a straight-line basis. Were life expectancy to increase by 1 year, the DBO would increase by € 17.2 million (previous year: € 18.0 million). Additionally, the individual actuarial assumptions are mutually dependent, but these interdependencies are not taken into account in the sensitivity analysis.

On 31 December 2024 the weighted average term of the DBO was 13 years (previous year: 14 years).

KSB’s expected benefit payments from defined benefit pension plans over the next five years are shown in the table below.

Expected pension benefit payments

€ millions at 31 Dec. 2024	2025	2026	2027	2028	2029
Expected payments	28.6	29.5	28.9	30.9	31.3

€ millions at 31 Dec. 2023	2024	2025	2026	2027	2028
Expected payments	23.9	26.9	28.2	28.6	30.6

12. Other provisions

The provisions for warranty obligations and contractual penalties cover the statutory and contractual obligations to customers and are based on estimates prepared using historical data for similar products and services. They amount to € 81.8 million (previous year: € 71.9 million) in the reporting year.

Provisions for employee benefits relate primarily to anniversary and partial retirement obligations.

The provisions for onerous contracts amounting to € 6.3 million (previous year: € 13.7 million) result in particular from project orders with customers.

Miscellaneous other provisions include provisions for litigation risks in the amount of € 10.8 million (previous year: € 5.8 million).

€ 42.8 million (previous year: € 44.4 million) of the other provisions are expected to become cash-effective after more than one year.

Composition of other provisions

	31 Dec. 2024			31 Dec. 2023		
€ millions	**Total**	**Non-current**	**Current**	**Total**	**Non-current**	**Current**
Warranty obligations and contractual penalties	**81.8**	–	81.8	**71.9**	–	71.9
Employee benefits	**20.0**	10.5	9.5	**22.6**	13.9	8.7
Onerous contracts	**6.3**	–	6.3	**13.7**	–	13.7
Miscellaneous other provisions	**26.9**	1.9	25.0	**28.3**	1.8	26.4
	135.0	**12.5**	**122.5**	**136.5**	**15.7**	**120.8**

Development of other provisions

€ millions	**1 Jan. 2024**	**CTA* / Other**	**Utilisation**	**Reversal**	**Additions**	**31 Dec. 2024**
Warranty obligations and contractual penalties	71.9	-0.9	-20.0	-10.4	41.1	**81.8**
Employee benefits	22.6	0.0	-9.7	-2.0	9.2	**20.0**
Onerous contracts	13.7	0.0	-7.5	-2.3	2.4	**6.3**
Miscellaneous other provisions	28.3	-1.4	-7.9	-6.4	14.2	**26.9**
	136.5	**-2.2**	**-45.1**	**-21.1**	**66.9**	**135.0**

* Currency translation adjustments

13. Liabilities

Non-current liabilities

€ millions	31 Dec. 2024	31 Dec. 2023
Financial liabilities	**37.8**	**29.0**
Bank loans and overdrafts	0.1	0.3
Finance lease liabilities	37.4	28.2
Other	0.3	0.5

Current liabilities

€ millions	31 Dec. 2024	31 Dec. 2023
Financial liabilities	**20.8**	**26.1**
Bank loans and overdrafts	3.0	10.2
Finance lease liabilities	17.8	15.9
Other	0.0	0.0
Contract liabilities	**214.4**	**202.6**
Trade payables	**356.7**	**324.7**
Trade payables to third parties*	339.8	311.7
Trade payables to related parties*	16.9	13.0
Other financial liabilities	**35.1**	**27.7**
Currency forwards	6.2	2.3
Miscellaneous other financial liabilities	28.9	25.4
Other non-financial liabilities	**201.4**	**181.8**
Social security and liabilities to employees	165.5	152.4
Tax liabilities (excluding income tax)	31.4	23.8
Prepaid expenses	0.0	0.6
Investment grants and subsidies	4.5	5.0
Income tax liabilities	**32.0**	**18.6**

* Trade payables to related parties in the reporting year and the previous year include outstanding balances with KSB Management SE from post-employment benefits to be paid to the Managing Directors. In this context, an amount of € 7.2 million was reclassified from trade payables to third parties to trade payables to related parties for the previous year.

The weighted average interest rate on bank loans and overdrafts was 6.9 % (previous year: 9.1 %). The interest rate is in particular influenced by the terms and conditions for borrowing by subsidiaries based abroad.

The maturity analysis of lease obligations at the reporting date is as follows:

Maturity analysis of liabilities from lease obligations

€ millions	31 Dec. 2024	31 Dec. 2023
Due within 1 year	17.8	15.9
Due between 1 and 5 years	32.6	25.1
Due after more than 5 years	4.8	3.1
	55.2	**44.0**

The amount of contract liabilities at the end of the reporting year is € 214.4 million and is thus above the comparative prior-year value of € 202.6 million. This increase is due to the higher advance payments received from customers in the 2024 financial year compared with the prior-year reporting date. In the reporting year, KSB recognised sales revenue of € 116.8 million (previous year: € 95.5 million) which was included in the balance of contract liabilities at the beginning of the reporting year.

The reported investment grants and subsidies include in particular government grants for construction and maintenance work. There are no material unfulfilled conditions or other contingencies related to these grants.

Overall, assets of the Group amounting to € 24.1 million (previous year: € 22.9 million) are used to secure liabilities and are subject to corresponding restrictions on disposal by KSB or pledges. In the reporting year, the assets used as security for liabilities were fully attributable (previous year: € 17.4 million) to the other receivables and other current assets. This includes in particular hedges of credit balances for partial retirement arrangements and long-term working time accounts of the German Group companies, as well as cash deposits for bank guarantees associated with customer contracts.

As in the previous year, there were no covenant agreements in the reporting year for loans that could lead to acceleration of the loan by the lender.

V. Income Statement Disclosures

14. Sales revenue

The tables on the right show the breakdown of the Group's sales revenue by product category, timing of revenue recognition and Segment. Detailed information on KSB's Segments is provided in Section VIII. Segment Reporting of the Notes to the consolidated financial statements.

The Group's orders on hand, in the form of the total transaction price of performance obligations unsatisfied or partially unsatisfied as at the reporting date, are as follows:

Performance obligations unsatisfied or partially unsatisfied as at the reporting date (orders on hand)

€ millions	31 Dec. 2024	31 Dec. 2023
Total transaction price of performance obligations unsatisfied or partially unsatisfied as at the reporting date (orders on hand)	**1,650.1**	**1,548.1**
Of which expected sales revenue within the next 12 months	1,306.9	1,223.6
Of which expected sales revenue after more than 12 months but under 24 months	154.4	100.7
Of which expected sales revenue after more than 24 months	188.7	223.8

Breakdown of sales revenue for the 2024 financial year

€ millions	Pumps Segment	Valves Segment	KSB SupremeServ Segment	Total
Sales revenue	**1,550.5**	**398.8**	**1,015.8**	**2,965.2**
Of which sales revenue from the sale of goods	1,550.5	398.8	706.0	2,655.4
Of which sales revenue from the provision of services	–	–	309.8	309.8
Of which goods and services transferred at a point in time	1,344.4	376.2	605.8	2,326.4
Of which goods and services transferred over time	206.1	22.6	410.0	638.8

Breakdown of sales revenue for the 2023 financial year

€ millions	Pumps Segment	Valves Segment	KSB SupremeServ Segment	Total
Sales revenue	**1,513.7**	**361.4**	**943.9**	**2,819.0**
Of which sales revenue from the sale of goods	1,513.7	361.4	647.9	2,523.0
Of which sales revenue from the provision of services	–	–	296.0	296.0
Of which goods and services transferred at a point in time	1,255.1	342.2	545.2	2,142.5
Of which goods and services transferred over time	258.6	19.3	398.7	676.5

15. Other income

€ millions	2024	2023
Income from the reversal of impairments	8.8	9.6
Government grants	7.6	6.1
Currency translation gains	4.3	2.1
Insurance compensation	0.4	12.9
Income from disposal of assets	1.2	0.9
Miscellaneous other income	12.6	12.7
	35.0	**44.4**

In the previous year, KSB received insurance compensation of € 10.4 million in relation to the hail damage at the French factory in La Roche-Chalais in 2022.

Other income relates to a large number of individual items and includes, among other things, remuneration for various other services provided by the Group outside its primary business activities.

16. Cost of materials

The cost of materials amounted to € 1,178.6 million (previous year: € 1,153.7 million) in the reporting year. This item includes expenses for raw materials, consumables and supplies and for goods and services purchased. Despite the increased sales revenue, the cost of materials remained at the previous year's level. This is due in particular to higher sales revenue in the high-margin KSB SupremeServ Segment.

17. Staff costs

€ millions	2024	2023
Wages and salaries	824.2	781.5
Social security contributions and employee assistance costs	170.3	162.0
Pension costs	19.7	17.2
	1,014.1	**960.7**

Pension costs are reduced by the interest component included in the allocation of provisions that is reported in finance income / expense.

The average number of employees in the Group during the year and as at the reporting date is shown in the table below.

The increase in staff costs compared with the previous year reflects in particular the higher number of employees as well as general wage and salary increases.

Employees

	Average for the year		At reporting date	
	2024	**2023**	**31 Dec. 2024**	**31 Dec. 2023**
Wage earners	6,631	6,787	6,616	6,758
Salaried employees	9,625	9,151	9,791	9,280
	16,256	**15,938**	**16,407**	**16,038**

18. Other expenses

€ millions	2024	2023
Repairs, maintenance, third-party services	186.6	159.7
Administrative expenses	116.9	110.9
Selling expenses	80.1	80.2
Other staff costs	33.8	31.7
Other taxes	14.8	13.6
Rents and leases	12.0	12.6
Impairment losses on trade receivables and contract assets	11.2	14.9
Currency translation losses	0.2	0.2
Losses from asset disposals	1.0	1.0
Miscellaneous other expenses*	20.0	38.6
	476.6	**463.3**

* The item for losses from current assets shown separately in the 2023 consolidated financial statements is now included in other expenses for reasons of materiality. Other expenses for the previous year therefore include reclassified amounts of € 1.4 million.

The increase in expenses for repairs, maintenance and third-party services was due in particular to the external costs for the migration of the SAP R/3 system to SAP S/4HANA amounting to € 15.4 million (previous year: € 2.6 million).

The expenses for rents and leases consist of expenses for leases with low-value underlying assets of € 3.2 million (previous year: € 3.5 million), expenses for short-term leases in the amount of € 6.3 million (previous year: € 6.5 million), expenses from variable lease payments of € 1.8 million (previous year: € 1.3 million) and expenses for rents and other leases in the amount of € 0.7 million (previous year: € 1.3 million).

Other expenses primarily reflect the development of provisions for warranty obligations and penalties as well as provisions for onerous contracts.

19. Finance income / expense

Interest and similar expenses include the net interest expense for pension provisions amounting to € 15.2 million (previous year: € 16.2 million). In addition, the item also includes interest expense from the subsequent measurement of lease liabilities in the amount of € 1.9 million (previous year: € 1.3 million).

Finance income / expense

€ millions	2024	2023
Finance income	**13.8**	**9.4**
Income from equity investments	0.0	–
thereof from other investments	0.0	–
Interest and similar income	13.7	9.3
thereof from other investments	0.1	0.1
thereof from investments accounted for using the equity method	0.0	0.1
Other finance income	0.1	0.1
Finance expense	**-33.1**	**-29.7**
Interest and similar expenses	-20.5	-22.6
Other finance expense	-12.6	-7.1
Income from / expense to investments accounted for using the equity method	**6.3**	**5.4**
Finance income / expense	**-13.0**	**-14.9**

Other finance expense includes in particular the effects from the application of IAS 29 Financial Reporting in Hyperinflationary Economies described in Section II. Consolidation Principles under Hyperinflation.

20. Taxes on income

This item shows the effective and deferred taxes on income of the companies included in the consolidated financial statements. The applicable tax rate of 30.4 % in the 2024 financial year (previous year: 30.5 %) is a composite rate resulting from the current German corporation tax, solidarity surcharge and trade tax rates. This tax rate forms the base for deriving the actual tax rate for the Group.

Taxes on income in the income statement

Taxes on income

€ millions	2024	2023
Effective taxes	77.6	65.0
Deferred taxes	6.8	-32.6
	84.4	**32.4**

Effective taxes include prior-period tax refunds in the amount of € 0.4 million (previous year: € 1.4 million) and tax arrears in the amount of € 1.4 million (previous year: € 0.9 million). As in the previous year, the introduction of new local taxes had no effects in the reporting year. Changes in foreign tax rates led to an increase of € 0.1 million in the total tax expense (previous year: increase of € 0.2 million).

Deferred tax assets according to the income statement are derived as follows:

Reconciliation of deferred taxes

€ millions	2024	2023
Change in deferred tax assets	12.3	-57.0
Change in deferred tax liabilities	-0.2	-2.2
Change in deferred taxes recognised in balance sheet	**12.1**	**-59.1**
Change in deferred taxes taken directly to equity	-3.4	27.9
Changes in consolidated Group / CTA* / Other	-1.8	-1.4
Deferred taxes recognised in income statement	**6.8**	**-32.6**

* Currency translation adjustments

Reconciliation of income tax

€ millions	2024	2023
Earnings before income tax (EBT)	231.2	209.0
Calculated income taxes on the basis of the applicable Group tax rate	70.3	63.7
Differences in tax rates	-10.7	-10.4
Tax losses from the current year that are not recognised	0.8	2.2
Changes in the value of deferred taxes on tax loss carryforwards	-0.7	-24.4
Impairment loss on goodwill	–	0.2
Changes in the value of deferred taxes on temporary differences	0.4	-15.4
Tax-exempt income	-2.7	-6.0
Non-deductible expenses	14.2	13.0
Prior-period taxes	9.1	5.4
Non-deductible foreign income tax	5.6	5.4
Investments accounted for using the equity method	-1.9	-1.4
Other	0.0	0.0
Current taxes on income	**84.4**	**32.4**
Current tax rate	36.5 %	15.5 %

The reconciliation for the derivation of the taxes on income reported in the income statement, based on the earnings before income tax (EBT), is shown in the following table.

The low actual tax rate of 15.5 % in the previous year was mainly attributable to the full reversal of previous impairments on deferred tax assets for loss carryforwards and for taxable temporary differences in the tax group of KSB SE & Co. KGaA. In the reporting year, the actual tax rate was negatively impacted in particular by the effects of a completed tax audit.

Taxes on income in the balance sheet

The allocation of deferred tax assets and deferred tax liabilities to the items in the Group's balance sheet is shown in the table below.

→ Allocation of deferred taxes

As at the reporting date, deferred tax assets (after offsetting) of € 7.8 million (previous year: € 5.9 million) were recognised in the balance sheet, which arose from companies posting a loss in the reporting year or in the previous year and whose realisation depends exclusively on the creation of future profit. Based on the planning figures available, KSB expects realisation to take place.

As shown in the reconciliation to the comprehensive earnings in the Group's statement of comprehensive income, taxes on income are reflected in the Group's equity as follows:

Income tax included under equity

in Mio. €	2024	2023
Remeasurement of defined benefit plans*	14.7	-39.2
Taxes on income	-4.4	27.6
Currency translation differences*	23.0	-33.4
Taxes on income	–	–
Changes in the fair value of financial instruments	-3.4	-0.5
Taxes on income	1.0	0.3
Other comprehensive income	**30.7**	**-45.1**

* These items include the changes taken directly to equity relating to investments accounted for using the equity method. Further details are provided in the statement of comprehensive income.

Allocation of deferred taxes

	Deferred tax assets		Deferred tax liabilities	
€ millions	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
Non-current assets	**6.5**	**5.3**	**46.3**	**42.1**
Intangible assets	1.2	0.4	2.5	1.9
Right-of-use assets	–	0.0	12.0	9.5
Property, plant and equipment	5.2	4.2	30.7	28.9
Financial and non-financial assets	0.1	0.6	1.2	1.8
Current assets	**34.7**	**28.2**	**7.9**	**7.6**
Inventories**	23.0	21.3	0.3	1.6
Receivables and other current assets**	11.7	6.9	7.6	6.0
Non-current liabilities	**58.2**	**61.7**	**–**	**–**
Provisions for pensions and similar obligations***	49.3	54.6	–	–
Other provisions	0.7	0.9	–	–
Other liabilities*	8.2	6.1	–	–
Current liabilities	**37.0**	**36.5**	**13.7**	**14.5**
Other provisions	13.1	18.4	0.3	0.3
Other liabilities*,**	23.9	18.1	13.4	14.2
Tax loss carryforwards	**3.5**	**16.7**	**–**	**–**
Gross deferred taxes – before offsetting	**140.0**	**148.3**	**67.9**	**64.1**
Offset under IAS 12.74	-58.2	-54.3	-58.2	-54.3
Net deferred taxes – after offsetting	**81.8**	**94.0**	**9.7**	**9.9**

* Deferred tax assets from non-current lease liabilities amount to € 8.2 million (previous year: € 6.1 million) and those from short-term leasing obligations to € 4.0 million (previous year: € 3.5 million). They are reported under deferred taxes for other liabilities (non-current and current).

** For the derivation of temporary differences, the disclosure of the tax base of assets and liabilities has been harmonised with the disclosure in the IFRS balance sheet. This approach has led to adjustments in the marked items for the previous year.

*** Deferred taxes from provisions for pensions and similar obligations are now reported net in one item. The presentation for the previous year was adjusted accordingly.

Further information and explanations on taxes on income

Contingent liabilities from income tax issues amount to € 0.8 million (previous year: € 1.1 million). There are currently no indications that the utilisation of these obligations is likely.

As far as net income from affiliates and other equity investments is concerned, withholding taxes incurred in connection with distributions and German taxes incurred are recognised as deferred taxes if these gains are expected to be subject to corresponding taxation, or there is no intention of reinvesting them in the long term. No deferred tax liabilities were recognised for taxable temporary differences of € 7.0 million (previous year: € 6.1 million) in relation to affiliates and associates as it is unlikely that these temporary differences will be reversed in the foreseeable future.

No deferred tax assets were recognised for corporate tax loss carryforwards amounting to € 17.5 million (previous year: € 17.2 million) and for trade tax loss carryforwards amounting to € 2.2 million (previous year: € 2.9 million), due to the recognition criteria of IAS 12, especially in the case where there is a history of losses. The loss carryforwards are largely available for an indefinite period. The income resulting from the use of loss carryforwards for which no deferred tax assets had been recognised so far was € 0.4 million (previous year: € 4.7 million).

Deductible temporary differences for which no deferred tax assets had to be recognised amounted to € 5.9 million (previous year: € 4.7 million).

Global minimum tax

The Group falls within the scope of the OECD Pillar Two model rules. The Pillar Two legislation has been applicable in Germany since 1 January 2024.

In the reporting year, KSB for the first time recognised a current tax expense of € 0.8 million for the top-up tax in connection with the global minimum tax, which is payable by KSB SE & Co. KGaA as the ultimate parent company. This minimum tax essentially refers to the Group’s business operations in China.

The Group makes use of the exemption from recognising deferred taxes in connection with Pillar Two income taxes, which was the subject of the amendments to IAS 12 published in May 2023.

21. Earnings after income tax – Non-controlling interests

The net profit attributable to non-controlling interests amounts to € 32.0 million (previous year: € 25.9 million) and the net loss attributable to non-controlling interests amounts to € 3.3 million (previous year: € 1.6 million). Further details on the non-controlling interests are provided under Notes No. 10 “Equity”.

22. Earnings per share

Earnings per share are calculated using the weighted average number of shares as the denominator.

Earnings per share

		2024	2023
Earnings after income tax – Attributable to KSB SE & Co. KGaA shareholders	€ millions	118.1	152.3
Additional dividend attributable to preference shareholders (€ 0.26 per preference share) (previous year: € 0.26 per preference share)	€ millions	-0.2	-0.2
	€ millions	**117.9**	**152.1**
Number of ordinary shares		886,615	886,615
Number of preference shares		864,712	864,712
Total number of shares		**1,751,327**	**1,751,327**
Diluted and basic earnings per ordinary share	**€**	**67.29**	**86.83**
Diluted and basic earnings per preference share	**€**	**67.55**	**87.09**

VI. Further Information on Financial Instruments

1. Financial instruments – Carrying amounts, fair values and other disclosures by measurement category

Financial instruments by measurement category – 31 Dec. 2024

Balance sheet item / Class € millions	Measurement category*	Carrying amount	Fair Value	Fair value Level 1**	Fair value Level 2***	Fair value Level 3****
Assets						
Non-current assets						
Loans and other assets	AC	1.9	1.9	–	1.9	–
Current assets						
Trade receivables from third parties	AC	559.5	559.5	–	–	–
Trade receivables from related parties	AC	45.9	45.9	–	–	–
Receivables from loans to related parties	AC	3.4	3.4	–	–	–
Currency forwards designated as hedges	n/a	2.0	2.0	–	2.0	–
Currency forwards not designated as hedges	FVPL	0.5	0.5	–	0.5	–
Other receivables and other current assets	AC	84.0	84.0	–	–	–
Cash and cash equivalents	AC	369.3	369.3	–	–	–
Equity and Liabilities						
Non-current liabilities						
Financial liabilities excluding lease obligations	AC	0.4	0.4	–	0.4	–
Lease obligations	n/a	37.4	–	–	–	–
Current liabilities						
Financial liabilities excluding lease obligations	AC	3.0	3.0	–	–	–
Lease obligations	n/a	17.8	–	–	–	–
Trade payables	AC	356.7	356.7	–	–	–
Currency forwards designated as hedges	n/a	5.1	5.1	–	5.1	–
Currency forwards not designated as hedges	FVPL	1.1	1.1	–	1.1	–
Miscellaneous other financial liabilities	AC	28.9	28.9	–	–	–

Measurement categories aggregated under IFRS 9

€ millions	Measurement category	31 Dec. 2024
Assets	AC	1,064.0
Equity and Liabilities	AC	389.1
Assets	FVPL	0.5
Equity and Liabilities	FVPL	1.1

* AC = Amortised cost, FVPL = Fair value through profit or loss

** Level 1: Fair value is determined on the basis of quoted prices (unadjusted) on active markets for identical assets and liabilities.

*** Level 2: Fair value is determined on the basis of measurement parameters that are not the quoted prices taken into account for Level 1, but are observable for the asset or the liability either directly as a price or indirectly derived from prices.

**** Level 3: Fair value is determined on the basis of measurement parameters for assets or liabilities that are not based on observable market data.

Financial instruments by measurement category – 31 Dec. 2023

Balance sheet item / Class € millions	Measurement category*	Carrying amount	Fair Value	Fair value Level 1**	Fair value Level 2***	Fair value Level 3****
Assets						
Non-current assets						
Loans and other assets	AC	1.2	1.2	–	1.2	–
Current assets						
Trade receivables from third parties	AC	505.8	505.8	–	–	–
Trade receivables from related parties	AC	48.8	48.8	–	–	–
Receivables from loans to related parties	AC	4.7	4.7	–	–	–
Currency forwards designated as hedges	n/a	1.7	1.7	–	1.7	–
Currency forwards not designated as hedges	FVPL	0.6	0.6	–	0.6	–
Other receivables and other current assets	AC	63.9	63.9	–	–	–
Cash and cash equivalents	AC	340.4	340.4	–	–	–
Equity and Liabilities						
Non-current liabilities						
Financial liabilities excluding lease obligations	AC	0.8	0.7	–	0.7	–
Lease obligations	n/a	28.2	–	–	–	–
Current liabilities						
Financial liabilities excluding lease obligations	AC	10.2	10.2	–	–	–
Lease obligations	n/a	15.9	–	–	–	–
Trade payables	AC	324.7	324.7	–	–	–
Currency forwards designated as hedges	n/a	2.2	2.2	–	2.2	–
Currency forwards not designated as hedges	FVPL	0.1	0.1	–	0.1	–
Miscellaneous other financial liabilities	AC	25.4	25.4	–	–	–

Measurement categories aggregated under IFRS 9

€ millions	Measurement category	31 Dec. 2023
Assets	AC	964.8
Equity and Liabilities	AC	361.1
Assets	FVPL	0.6
Equity and Liabilities	FVPL	0.1

* AC = Amortised cost, FVPL = Fair value through profit or loss

** Level 1: Fair value is determined on the basis of quoted prices (unadjusted) on active markets for identical assets and liabilities.

*** Level 2: Fair value is determined on the basis of measurement parameters that are not the quoted prices taken into account for Level 1, but are observable for the asset or the liability either directly as a price or indirectly derived from prices.

**** Level 3: Fair value is determined on the basis of measurement parameters for assets or liabilities that are not based on observable market data.

For the financial assets measured at amortised cost, it is assumed that the fair values correspond to the carrying amounts, given the predominantly short maturities of these financial instruments. This is also the case for all financial liabilities measured at amortised cost, with the exception of non-current financial liabilities.

The fair values of non-current financial instruments are based on prices quoted in active markets (Level 1).

Fair values within Level 2 are determined using a discounted cash flow method. This relates to loans, non-current financial liabilities and currency forwards. KSB applies an appropriate yield curve for discounting. Future cash flows from currency forwards are calculated on the basis of forward exchange rates (observable rates on the reporting date) and the contracted forward exchange rates.

Level 3 includes financial instruments whose fair value is based on measurement parameters that are not based on observable market data.

In the reporting year, as in the previous year, there were no significant reclassifications of financial assets or liabilities between the hierarchy levels described above.

The net gains and losses from financial instruments, after taking into account the relevant tax effect, are presented in the following tables:

The interest shown is a component of finance income / expense. The other gains and losses are partly reported in other income and other expenses.

Net results by measurement category in 2024

€ millions	From interest and dividends	From subsequent measurement: At fair value	Currency translation	Impairment losses	From disposal	Net results
Amortised cost (assets)	13.7	–	1.1	-2.9	–	**11.9**
Amortised cost (equity and liabilities)	-2.7	–	0.1	–	–	**-2.6**
FVPL (assets and equity and liabilities)	–	-1.1	–	–	–	**-1.1**
	11.0	**-1.1**	**1.2**	**-2.9**	**–**	**8.2**

Net results by measurement category in 2023

€ millions	From interest and dividends	From subsequent measurement: At fair value	Currency translation	Impairment losses	From disposal	Net results
Amortised cost (assets)	9.3	–	-0.8	-4.8	–	**3.6**
Amortised cost (equity and liabilities)	-4.4	–	-0.1	–	–	**-4.5**
FVPL (assets and equity and liabilities)	–	0.5	–	–	–	**0.5**
	4.9	**0.5**	**-1.0**	**-4.8**	**–**	**-0.3**

Differences between the gross and net carrying amounts of financial assets, which are reflected in the table on net results in the “Impairments” column, mainly concern trade receivables. For further details, please refer to Notes No. 8 “Contract assets, trade receivables and other financial and non-financial assets”.

The amount of financial assets and liabilities subject to offsetting agreements is not material.

2. Financial risks

KSB is exposed to certain financial risks as a consequence of its business activities. These risks can be classified into three areas:

KSB is firstly exposed to credit risk. Credit risk is defined as the potential default or delays in the receipt of contractually agreed payments. KSB is also exposed to liquidity risk which is the risk that an entity will be unable to meet its financial obligations, or will be unable to meet them in full. In addition, KSB is exposed to market price risk. The risk of exchange rate or interest rate changes may adversely affect the economic position of the Group. Risks from fluctuations in the prices of financial instruments are not material for KSB.

KSB limits all these risks through an appropriate risk management system, defining how these risks are addressed through guidelines and work instructions. Furthermore, KSB continuously monitors the current risk characteristics and regularly provides the information obtained to the Managing Directors and the Supervisory Board in the form of standardised reports and individual analyses.

The three risk areas are described in detail in the following. Additional information is also provided in the group management report, in particular in the Economic Review, Report on Expected Developments, Opportunities and Risks Report sections.

Credit risk

The primary credit risk is that there is a delay in settling a receivable, or that it is not settled either in full or in part. KSB minimises this risk using a variety of measures. As a matter of principle, KSB runs credit checks on potential and existing counterparties. KSB only enters into business relationships if the results of these checks are positive. Additionally, European companies in particular take out trade credit insurance policies. In exceptional cases KSB accepts other securities (collateral) such as guarantees. The insurance policies primarily cover the risk of loss of receivables. Moreover, cover is also taken out against political and commercial risks in the case of specific customers in selected countries. For both types of insurance, KSB has agreed deductibles, which represent significantly less than 50 % of the insured volume. The total amount of hedged trade receivables as at the reporting date is shown under Notes No. 8 "Contract assets, trade receivables and other financial and non-financial assets". As part of receivables management, KSB continuously monitors outstanding items, performs maturity analyses and establishes contact with customers at an early stage if delays in payment occur. In the case of major projects, the terms and conditions provide for prepayments, guarantees and – for export transactions – letters of credit. These also mitigate risk. KSB recognises impairment losses for the residual risk remaining in trade receivables. It regularly examines the extent to which individual receivables need to be written down for impairment. Indications of this are significant financial difficulties of the debtor, such as insolvency or bankruptcy. Receivables are derecognised when it is reasonably certain that payment cannot be expected.

The maximum credit default risk, excluding collateral received, corresponds to the carrying amount of the financial assets.

There is no concentration of risk because the diversity of KSB's business means that it supplies a considerable number of customers in different sectors.

Liquidity risk

Liquidity management ensures that the liquidity risk is minimised in the Group and that solvency is ensured at all times. There are no concentrations of risk because KSB works with a number of credit institutions, on which strict creditworthiness requirements are imposed.

KSB generates its financial resources primarily from its operating business. These are used to finance investments in non-current assets. The Group also uses them to cover working capital requirements. KSB monitors changes in inventories, contract assets, trade receivables, trade payables and contract liabilities regularly using a standardised Group reporting system.

The reporting system additionally ensures, with the help of monthly rolling cash flow planning, that the Group's central financial management is continuously informed about liquidity surpluses and requirements. This enables KSB to optimally meet the needs of the Group as a whole and of the individual companies. In order to be able to provide the necessary collateral in the project business, KSB makes corresponding guarantee volumes available.

In addition, it is always ensured that free credit facilities are sufficient; KSB identifies the need for these on the basis of regular liquidity planning. This way, it can respond at any time to fluctuating liquidity requirements. The available cash loans and credit lines total € 1,065.2 million (previous year: € 1,077.9 million). The utilisation of cash loans and credit lines by the Group was as follows at the end of the reporting year:

€ millions / Type of line	**Maximum amount of line**	**Utilisation as at 31 Dec. 2024**
Loans	473.3	3.1
Sureties	591.9	215.5

The credit and guarantee lines include amounts from a syndicated loan agreement originally signed in December 2018 and extended on 19 November 2024 as part of an amendment and restatement agreement. The associated credit line of € 300.0 million can be used at any time and increased by KSB by a further € 250.0 million through the exercise of an option to increase the credit line. The guarantee line from the syndicated loan agreement comes to € 250.0 million. The fixed five-year term of the agreement until 19 November 2029 additionally gives KSB the option to renew twice by one year each time.

The following tables show the contractually agreed non-discounted future cash flows of the financial liabilities (primary financial instruments) and derivative financial instruments. Interest payments on fixed-rate liabilities are determined on the basis of the fixed rate.

Floating-rate interest payments are based on the last floating interest rates fixed before 31 December. Projections for future new liabilities are not included in the presentation. Based on the current state of knowledge, it is neither expected that the cash flows will take place significantly earlier, nor that the amounts will differ significantly.

Cash flows of financial liabilities 2024

€ millions	**Total**	**Up to 1 year**	**1 – 5 years**	**> 5 years**
Financial liabilities	62.6	22.1	35.2	5.3
Of which from lease obligations	59.1	18.9	35.0	5.2
Trade payables	356.7	356.7	–	–
Miscellaneous other financial liabilities	28.9	28.8	0.2	–
Derivative financial instruments (net)	6.2	5.7	0.5	–
	454.4	**413.3**	**35.9**	**5.3**

Cash flows of financial liabilities 2023

€ millions	**Total**	**Up to 1 year**	**1 – 5 years**	**> 5 years**
Financial liabilities	57.1	27.6	26.2	3.4
Of which from lease obligations	46.1	17.0	25.8	3.3
Trade payables	324.7	324.7	–	–
Miscellaneous other financial liabilities	25.4	25.2	0.1	–
Derivative financial instruments (net)	2.3	2.2	0.1	–
	409.5	**379.7**	**26.4**	**3.4**

Market price risk

Global business activities expose KSB primarily to currency and interest rate risk. Any changes in market prices can affect fair values and future cash flows. Sensitivity analyses are used to determine the hypothetical impact of such market price fluctuations on earnings and equity. In doing so, KSB assumes that the portfolio at the reporting date is representative of the full year.

Currency risk

Currency risk mainly affects cash flows from operating activities. It arises when Group companies settle transactions in currencies that are not their functional currency. The main currencies in the KSB Group are the US dollar (USD), the Chinese yuan (CNY), the Indian rupee (INR) and the Brazilian real (BRL).

→ **Currency volumes**

KSB minimises currency risk by using currency forwards. Further information is provided in Section III. Accounting Policies under “Financial assets and liabilities – b) Derivative financial instruments” and in the following sub-section 3. "Hedge accounting".

For the currency sensitivity analysis shown in the tables below, KSB simulates the effects for the main currencies used in the Group based on the notional volume of existing foreign currency derivatives and foreign currency receivables and liabilities at the reporting date. For the analysis, a 10 % increase (decrease) in the value of the euro versus the other currencies is assumed.

→ **Currency sensitivity**

Currency volumes

€ millions	CNY 31 Dec. 2024	CNY 31 Dec. 2023	USD 31 Dec. 2024	USD 31 Dec. 2023	INR 31 Dec. 2024	INR 31 Dec. 2023	BRL 31 Dec. 2024	BRL 31 Dec. 2023
Trade receivables	67.8	44.6	35.6	30.2	71.3	53.1	19.7	20.6
Trade payables	60.2	49.1	19.9	22.3	45.4	41.2	20.2	16.2
Balance	**7.6**	**-4.5**	**15.6**	**7.9**	**25.9**	**11.9**	**-0.5**	**4.4**

Currency sensitivity as at 31 December 2024

	Effect on consolidated earnings for		Effect on other comprehensive income for	
€ millions	Increase in the value of the euro by + 10 %	Decrease in the value of the euro by – 10 %	Increase in the value of the euro by + 10 %	Decrease in the value of the euro by – 10 %
CNY	-0.4	0.4	0.6	-0.6
USD	1.5	-1.5	4.7	-4.7
INR	-2.6	2.6	–	–
BRL	0.1	-0.1	–	–

Currency sensitivity as at 31 December 2023

	Effect on consolidated earnings for		Effect on other comprehensive income for	
€ millions	Increase in the value of the euro by + 10 %	Decrease in the value of the euro by – 10 %	Increase in the value of the euro by + 10 %	Decrease in the value of the euro by – 10 %
CNY	0.8	-0.8	0.5	-0.5
USD	1.8	-1.8	4.5	-4.5
INR	-1.2	1.2	–	–
BRL	-0.4	0.4	–	–

Interest rate risks

KSB regularly monitors the interest rate risks associated with its financing activities. To avoid the negative effects of interest rate fluctuations on the international capital markets, KSB concludes interest rate hedges (interest rate swaps) where necessary, generally for long-term loans. These are used exclusively to hedge floating rate loans against rising interest rates. In the reporting year, as in the previous year, there were no such transactions or other interest rate derivatives in the portfolio.

As part of the interest rate sensitivity analysis shown in the table below, KSB simulates a 100 basis point increase (decrease) in market interest rates and analyses the impact on the floating rate financial instruments.

Interest rate sensitivity

	31 Dec. 2024		31 Dec. 2023	
€ millions	**+100 basis points**	**– 100 basis points**	**+100 basis points**	**– 100 basis points**
Consolidated earnings	4.3	-4.3	3.7	-3.7

3. Hedge accounting

KSB uses micro hedges (hedging individual transactions) and macro hedges (hedging an overall risk portfolio) to hedge currency risk from transactions already recognised in the balance sheet as well as transactions.that are expected in the future with a high degree of probability. The hedging instruments used share the essential terms and conditions with the underlying transactions, i.e. with regard to amount, term and quality. The maturities of the currency derivatives used are, as in the previous year, mostly between one and two years. Internal guidelines govern the use of financial instruments. Such transactions are also subject to ongoing risk control measures.

The effectiveness of hedges is determined at the beginning of the hedge and through regular prospective assessment. The aim is to ensure that there is a financial relationship between the hedge underlying and hedging instrument. The hedging instruments used are exclusively currency forwards entered into with prime-rated banks. To hedge forward exchange transactions, the Group takes out hedges where the contractual modalities of the hedging instrument essentially match those of the hedged underlying. The hedge ratio for hedges is 1:1, i.e. the volume of hedge transactions matches the designated underlyings.

In order to measure the effectiveness or ineffectiveness of hedges, KSB compares the fair value of the underlying and the hedge transactions. Changes in the fair value of the derivatives are almost completely offset by changes in the fair value of the cash flows from the underlyings (dollar offset method). The changes in the fair value of the underlyings and hedges in the financial year therefore match the unrealised profits and losses recorded under equity. As a rule, KSB does not hedge currency risks from the translation of foreign operations into the Group currency (€). Ineffectiveness can arise from hedging currency risk if the material measurement parameters of the underlying and hedge no longer match. There was no material ineffectiveness in the KSB Group in respect of currency hedges in the 2024 and 2023 financial years.

At the reporting date, the notional volume of the currency forwards designated as hedges was € 255.5 million (previous year: € 215.9 million). In addition to the US dollar, the hedged currency risk relates to a number of other currencies to a lesser extent. The weighted average EUR / USD exchange rate for hedging instruments denominated in US dollars was 1.10 (previous year: 1.11) as at the reporting date. The contractual maturities of payments for these currency forwards are as follows:

Notional volumes in 2024

€ millions	Total	Up to 1 year	1 – 5 years	> 5 years
Currency forwards designated as hedges	**255.5**	242.2	13.3	–

Notional volumes in 2023

€ millions	Total	Up to 1 year	1 – 5 years	> 5 years
Currency forwards designated as hedges	**215.9**	204.1	11.8	–

The “Changes in the fair value of derivatives” table shows the change in the hedging reserve and in the cost of the hedging reserve for currency hedges before tax.

Changes in the fair value of derivatives in 2024

€ millions	OCI Cash flow hedges – Hedging reserve	OCI Cash flow hedges – Hedging cost reserve
Currency risk		
Opening balance at 1 January	0.3	-0.2
Effective portion of changes in fair value	-8.5	0.2
Realisation of underlying recognised in income	4.9	-0.1
Closing balance at 31 December	**-3.2**	**-0.1**

Changes in the fair value of derivatives in 2023

€ millions	OCI Cash flow hedges – Hedging reserve	OCI Cash flow hedges – Hedging cost reserve
Currency risk		
Opening balance at 1 January	1.6	-1.0
Effective portion of changes in fair value	-0.8	2.2
Realisation of underlying recognised in income	-0.4	-1.4
Closing balance at 31 December	**0.3**	**-0.2**

VII. Statement of Cash Flows

The cash flow statement shows how the Group's cash and cash equivalents reported in the balance sheet changed during the reporting year as a result of cash inflows and cash outflows. In accordance with the requirements of IAS 7, a distinction is made between cash flows from operating activities and from investing and financing activities. The exact composition of these individual components can be seen in the individual items listed in the cash flow statement.

Non-cash effects from currency translation and from changes in the consolidated Group are eliminated in the respective items. Consequently, the cash flows from changes in balance sheet items shown in the cash flow statement cannot be reconciled with the corresponding movements in the Group's balance sheet.

Cash flows reported by Group companies in foreign currencies are translated into euros at average exchange rates for the year, while cash and cash equivalents are translated at the closing rate at the reporting date.

The effect of exchange rate changes on cash and cash equivalents, as well as the effect of changes in the consolidated Group, are shown in a separate item in the statement of cash flows.

Cash flows from investing activities include the cash effects from additions and disposals of intangible assets and property, plant and equipment. The total additions and disposals in the reporting year are provided in the explanatory notes to the balance sheet items in these Notes to the Consolidated Financial Statements.

The changes in financial liabilities over the year, including the cash-effective portion of these changes, which is included in the cash flows from financing activities, are presented in the tables below.

Changes in financial liabilities in 2024

			Non-cash changes		
€ millions	**1 Jan. 2024**	**Cash-effective in cash flows from financing activities**	**Additions / Disposals / Acquisitions / Other**	**Exchange-rate-related changes**	**31 Dec. 2024**
Non-current financial liabilities (excluding lease liabilities)	0.8	-0.3	0.0	0.0	0.4
Current financial liabilities (excluding lease liabilities)	10.2	-8.4	1.1	0.1	3.0
Lease liabilities	44.0	-21.1	32.0	0.3	55.2
Total financial liabilities	**55.0**	**-29.8**	**33.1**	**0.4**	**58.6**

Changes in financial liabilities in 2023

			Non-cash changes		
€ millions	**1 Jan. 2023**	**Cash-effective in cash flows from financing activities**	**Additions / Disposals / Acquisitions / Other**	**Exchange-rate-related changes**	**31 Dec. 2023**
Non-current financial liabilities (excluding lease liabilities)	1.2	-0.9	0.6	-0.2	0.8
Current financial liabilities (excluding lease liabilities)	13.1	-2.8	1.9	-2.0	10.2
Lease liabilities	36.4	-19.1	27.2	-0.5	44.0
Total financial liabilities	**50.7**	**-22.8**	**29.8**	**-2.7**	**55.0**

VIII. Segment Reporting

Segment reporting is prepared in accordance with IFRS 8 based on the management approach and corresponds to the internal organisational and management structure as well as the reporting lines to the Managing Directors as the chief operating decision-makers.

KSB takes management decisions primarily on the basis of the key performance indicators – order intake, external sales revenue and earnings before finance income / expense and taxes (EBIT) – determined for the Pumps, Valves and KSB SupremeServ reporting segments (hereinafter also referred to as “Segments”). Reporting the relevant assets, number of employees and inter-segment sales revenue of the Segments is not part of internal reporting.

Based on comprehensive consideration, the reporting segments were aligned with the Group’s products and services. For the derivation of the Pumps Segment, the underlying differentiation of individual Market Areas must also be taken into account, as described below.

The Pumps Segment comprises new business with single-stage and multistage pumps, submersible pumps and the associated control and drive systems. The applications are assigned to the Market Areas of Energy and Mining and to the Market Areas of Water, Building Services, Petrochemicals / Chemicals and General Industry, which are grouped together in the organisational and reporting structure of the Group as Standard Markets. Each customer is assigned by the Group to a specific Market Area according to their main business activity. The allocation of transactions with customers to the Market Areas follows this clear assignment of customers by KSB, irrespective of the specific product underlying the transaction.

For the new business with pumps, the Energy, Mining and Standard Markets are derived from the organisational and reporting structure of the Group as operating segments as defined by IFRS 8. These segments share the characteristic that they are based on a common product group, i.e. pumps. Furthermore, it follows from the customer-related delineation of the Market Areas described above that these operating segments are not based on a classification according to specific products and services, taking into account technological and economic characteristics, such as production processes or sales methods. According to KSB’s estimates and expectations, the three pumps operating segments have similar long-term earnings trends and may also involve fundamentally comparable risks. As a result, the operating segments considered here are aggregated into the Pumps reporting segment pursuant to IFRS 8 in view of the close technological and economic interrelationships from the Group’s point of view.

The Valves Segment combines the Group’s business activities with regard to new business in butterfly valves, globe valves, gate valves, control valves, diaphragm valves and ball valves. as well as associated actuators and control systems. The basic applications for these products are identical to those for pumps. However, in contrast to the Pumps Segment, the Valves Segment is not divided into individual Market Areas for the central management of the Group.

The KSB SupremeServ Segment on the one hand comprises the spare parts business for pumps and valves. On the other hand, KSB’s service activities are allocated to this Segment. These include the installation, commissioning, start-up, inspection, servicing, maintenance and repair of pumps, related systems and valves, as well as modular service concepts and system analyses for complete plants.

The amounts disclosed for the individual Segments have been established in compliance with the accounting policies of the present consolidated financial statements.

Segment reporting

	Order intake		Sales revenue		EBIT	
€ millions	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Pumps Segment	1,658.6	1,576.5	1,550.5	1,513.7	40.5	52.3
Valves Segment	407.4	392.6	398.8	361.4	-0.8	-7.5
KSB SupremeServ Segment	1,048.1	990.4	1,015.8	943.9	204.5	179.1
Total	**3,114.0**	**2,959.5**	**2,965.2**	**2,819.0**	**244.2**	**223.9**

The order intake by segment presents order intake generated with third parties.

The sales revenue by segment presents sales revenue generated with third parties.

The “Segment reporting” table presented above shows earnings before finance income / expense and income tax (EBIT) including non-controlling interests.

EBIT includes depreciation and amortisation of € 44.7 million (previous year: € 41.0 million) for the Pumps Segment, € 14.0 million (previous year: € 11.4 million) for the Valves Segment and € 38.7 million (previous year: € 35.7 million) for the KSB SupremeServ Segment.

The total depreciation and amortisation included impairment losses on intangible assets, property, plant and equipment, and right-of-use assets in the amount of € 4.4 million (previous year: € 2.5 million). Of these impairments, € 0.2 million (previous year: € 1.5 million) relate to the Pumps Segment, € 2.5 million (previous year: € 1.0 million) to the KSB SupremeServ Segment and € 1.7 million in the reporting year to the Valves Segment. In addition, the write-downs for the reporting year include reversals of impairments on property, plant and equipment in the amount of € 0.8 million (previous year: € 2.2 million). These were attributable to the Pumps Segment in the amount of € 0.5 million (previous year: € 1.8 million), the KSB SupremeServ Segment in the amount of € 0.3 million (previous year: € 0.1 million) and, in the previous year, to the Valves Segment in the amount of € 0.3 million.

€ 608.6 million (previous year: € 642.0 million) of the sales revenue presented were generated by the companies based in Germany, € 239.5 million (previous year: € 215.8 million) by the companies in China, € 214.1 million (previous year: € 200.2 million) by the company in France, € 249.0 million (previous year: € 238.8 million) by the companies in the USA, € 285.4 million (previous year: € 249.8 million) by the companies in India and € 1,368.6 million (previous year: € 1,272.4 million) by the other Group companies.

There were no relationships with individual customers that accounted for a material proportion of Group sales revenue.

At the reporting date, the total non-current assets of the KSB Group under review for the purposes of segment reporting amounted to € 835.2 million (year-end figure in previous year: € 749.3 million), with € 308.5 million (year-end figure in previous year: € 285.1 million) being attributable to the companies based in Germany and € 526.7 million (year-end figure in previous year: € 464.2 million) being attributable to the other Group companies. The values presented include intangible assets, right-of-use assets, property, plant and equipment and investments accounted for using the equity method.

IX. Other Disclosures

Capital disclosures

Sufficient financial independence is a key requirement for safeguarding KSB's continued existence in the long term. Obtaining the necessary funds for ongoing business operations is also extremely important for KSB. KSB regularly monitors the development of the net financial position that is derived from the balance of interest-bearing financial liabilities and financial assets (mainly cash and cash equivalents as well as receivables from deposits). One objective is to avoid net debt. The net financial position at the end of the reporting year was € 371.0 million (previous year: € 324.9 million). This increase is essentially due to the high cash flows from operating activities.

Contingent liabilities

Contingent liabilities to third parties and other investments are as follows at the reporting date:

Contingent liabilities

€ millions	31 Dec. 2024	31 Dec. 2023
From legal disputes	2.0	2.3
From guarantees	2.1	2.1
From warranty agreements	1.8	1.8
From other tax matters	14.1	13.4
From other contingent liabilities	1.2	0.5
	21.3	**20.0**

In the context of establishing the contingent liabilities, estimates are required in particular with regard to the existence of any obligations and in relation to the probability and amount of an outflow of resources.

At present, KSB does not expect a payment obligation for the total of contingent liabilities listed in the table of that name.

In addition, the KSB Group has contingent liabilities towards associates and joint ventures of € 7.1 million (previous year: € 7.2 million). The extent to which these will result in a cash outflow depends on the future business performance of the respective company.

As at the reporting date of the reporting year, there are no material contingent receivables of the Group, as in the previous year.

Other financial obligations

As in the previous year, there are no purchase price obligations from acquisitions of companies and no payment obligations from capitalisation measures at Group companies.

The aggregate purchase obligation for investments amounts to € 47.9 million (previous year: € 27.9 million). Of this amount, € 0.8 million (previous year: € 1.1 million) is attributable to intangible assets and € 47.1 million (previous year: € 26.8 million) to property, plant and equipment. Most of the corresponding payments are due in 2025.

Leases

KSB as lessee

Lease agreements in which KSB is the lessee mainly relate to real estate and motor vehicles. The terms of leases and additional cancellation and renewal options for one or both contracting parties are agreed individually and at different conditions.

The total cash outflow from leases, in the form of the repayment of lease liabilities, payments for leases relating to low-value assets and for short-term leases as well as variable lease payments, totalled € 30.5 million in the reporting year (previous year: € 29.1 million).

The Group expects future payments of € 0.6 million (previous year: € 5.3 million) from leases already concluded where the leased asset had not yet been made available to KSB by the lessor for use at the reporting date.

KSB as lessor

KSB acts as a lessor to a small extent, including in the context of real estate leasing. These activities have no material impact on the consolidated financial statements, so no further disclosures are made in this context.

Research and development costs

Research and development costs in the reporting year amounted to € 69.0 million (previous year: € 60.6 million).

Related party disclosures

Related parties are legal entities or natural persons that have influence over the KSB Group or are subject to control, joint control or significant influence by the KSB Group.

In order to determine the entirety of related parties of the Group, the organisational and shareholding structure of KSB SE & Co. KGaA must be taken into account. Johannes und Jacob Klein GmbH, Frankenthal / Pfalz, holds an unchanged voting interest of 83.94 % in KSB SE & Co. KGaA. The voting rights in this company are held, again unchanged, by KSB Stiftung, Stuttgart, with 74.93 %, and by Kühborth-Stiftung GmbH, Stuttgart, with 25.07 %.

Transactions with related parties are performed at arm's length and are described in more detail below.

Related parties (entities)

In view of the above explanations, related parties of the KSB Group are, on the one hand, KSB Stiftung, Stuttgart, and Kühborth Stiftung GmbH, Stuttgart, each with their direct and indirect interests, joint ventures and associates. This includes Klein, Schanzlin & Becker GmbH, Frankenthal / Pfalz, which in turn holds 100 % of the voting rights in KSB Management SE, Frankenthal / Pfalz. KSB Management SE, as general partner, is also a related party. Similarly, Johannes und Jacob Klein GmbH, Frankenthal / Pfalz, and its direct and indirect interests, joint ventures and associates are to be classified as related parties of the Group. This includes in particular Palatina Versicherungsservice GmbH, Frankenthal / Pfalz, and the companies of Abacus alpha GmbH, Frankenthal / Pfalz.

Furthermore, related parties also include entities controlled or jointly controlled by the Managing Directors of Johannes und Jacob Klein GmbH, the Managing Directors or members of the Administrative Board of KSB Management SE or the Managing Directors or members of the Advisory Board of Klein, Schanzlin & Becker GmbH.

The group of related parties (entities) also includes the companies fully consolidated in the consolidated financial statements, the joint ventures and associates of the Group as well as the companies not consolidated due to immateriality. Balances and transactions between fully consolidated companies of the KSB Group have been eliminated for the purposes of these consolidated financial statements and are therefore not explained in detail below.

As part of normal business activities, KSB maintains business relationships with related parties in the following areas:

- Buying / selling assets
- Sourcing / providing services
- Usage / transferring usage of assets
- Granting of loans

The following table shows the services provided and used in relation to the purchase and sale of assets and services, as well as the associated pending receivables and liabilities owed from and to related parties.

→ **Services, receivables and liabilities in dealings with related parties**

Pending balances at the year end are unsecured, do not accrue interest and are settled by means of payments. No guarantees were given or received. At the reporting date, impairments of € 157 thousand (previous year: € 151 thousand) were recognised on the presented receivables from companies not consolidated due to immateriality.

As the legal representative, KSB Management SE provides management services for KSB. The management fee is charged on to KSB SE & Co. KGaA. In addition, KSB Management SE as the general partner assumes liability for KSB and receives annual remuneration for this amounting to 4 % of its share capital. Accordingly, € 7,430 thousand (previous year: € 6,554 thousand) of the purchases of assets and services from KSB Management SE relate firstly to the remuneration of the members of the governing bodies of KSB Management SE, which is explained in more detail in the "Related parties (persons)" sub-section below. Secondly, they include the liability remuneration in the amount of € 20 thousand (previous year: € 20 thousand) and a further reimbursement of expenses in connection with the management of the Group's business in the amount of € 234 thousand (previous year: € 137 thousand). The liabilities to KSB Management SE are due in the short term.

Relations covering the supply of products and services in relation with Johannes und Jacob Klein GmbH were of minor scope in the reporting year as in the previous year. In addition, Johannes und Jacob Klein GmbH received dividend payments.

Transactions with subsidiaries of Johannes und Jacob Klein GmbH comprise transactions with Palatina Versicherungsservice GmbH, Abacus alpha GmbH, Abacus Resale GmbH, Abacus Experten GmbH and airinotec GmbH.

A services agreement for insurances is in place between Palatina Versicherungsservice GmbH and KSB SE & Co. KGaA.

Abacus Experten GmbH concluded a number of service agreements with KSB SE & Co. KGaA.

A framework delivery and service agreement in particular is in place with Abacus Resale GmbH for the purchase of returns and the provision of additional related services.

In addition, products were delivered to Abacus Resale GmbH and to airinotec GmbH as part of the normal business activities. Services were provided by Abacus alpha GmbH to a minor extent.

Further information on joint ventures, associates and companies not consolidated due to immateriality is provided in Section IV. Balance Sheet Disclosures – Notes No. 4 “Other financial assets”, Notes No. 6 “Investments accounted for using the equity method”, Notes No. 8 “Contract assets, trade receivables and other financial and non-financial assets”, Notes No. 13 “Liabilities” and in Section IX. Other Disclosures – Contingent Liabilities. In addition, the cash flows from the granting of loans and from capital measures with the aforementioned companies are shown in the statement of cash flows under cash flows from investing activities.

Services, receivables and liabilities in dealings with related parties

	Sale of assets and services		Purchases of assets and services		Trade receivables		Trade payables	
€ thousands	**2024**	**2023**	**2024**	**2023**	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
KSB Management SE*	5	5	7,684	6,711	6	–	15,124	11,344
Klein, Schanzlin & Becker GmbH	–	–	–	–	–	–	–	–
KSB Stiftung and Kühborth-Stiftung GmbH	1	–	–	–	–	–	–	–
Johannes und Jacob Klein GmbH	–	–	7	9	–	–	–	–
Subsidiaries of Johannes und Jacob Klein GmbH	824	647	4,013	3,999	119	136	325	268
Associates / joint ventures of Johannes und Jakob Klein GmbH	–	–	–	–	–	–	–	–
Joint ventures	51,241	44,289	1,977	1,506	38,476	41,811	559	434
Associates	8	3	5,589	6,422	926	1,483	343	544
Companies not consolidated due to immateriality	10,593	8,953	485	411	6,376	5,357	616	398

* Trade payables to KSB Management SE in the reporting year and the previous year include outstanding balances from post-employment benefits to be paid to the Managing Directors.

Related parties (persons)

The members of the Supervisory Board, the Managing Directors of KSB Management SE and the members of the Administrative Board of KSB Management SE, as well as their close family members, are deemed to be related parties of the KSB Group. Further information is provided below, in these consolidated financial statements, before the comments concerning the proposal on the appropriation of the net retained earnings of KSB SE & Co. KGaA.

In the reporting year, three members of the Administrative Board and one member of the Supervisory Board held an immaterial share of interests in KSB SE & Co. KGaA.

The remuneration paid to key management personnel of KSB SE & Co. KGaA, i.e. the Managing Directors and the members of the Administrative Board of KSB Management SE, is listed in the following table. The amounts are paid by KSB under an expense reimbursement agreement.

Management remuneration

€ thousands	2024	2023
Short-term benefits*	4,146	3,930
Post-employment benefits	1,778	1,439
Other long-term benefits*	1,505	1,185
Total	**7,430**	**6,554**

* Other long-term benefits include the amounts that form part of the long-term variable remuneration from the perspective of the Managing Directors.

The remuneration system for the Managing Directors of KSB Management SE consists of components that are not performance-related, in the form of fixed sum plus benefits and pension commitments, as well as short-term and long-term variable remuneration components. In this context, 60 % of the regular annual salary, i.e. the sum of fixed and variable remuneration, is accounted for by the fixed component. The variable remuneration accounts for 40 % of the regular annual salary, with about two thirds of this being allocated to the long-term variable remuneration. The majority of the variable remuneration is thus linked to the long-term performance of the company.

The short-term variable remuneration with an assessment period of one year is designed as a target bonus model and is awarded annually. The target amount, i.e. the amount paid out if 100 % of the target is achieved, corresponds to 15 % of the respective regular annual salary. The Administrative Board of KSB Management SE has set the performance targets of EBIT margin, sales revenue and the overall assessment of the personal performance of the Managing Directors in equal parts as the basis for assessment.

The long-term variable remuneration is structured as an annually granted plan with a three-year, forward-looking assessment period. The target amount corresponds to 25 % of the respective regular annual salary. The Administrative Board has defined the performance target as the equally weighted average of the earnings per share (EPS) over three years with a weighting of 80 % and the achievement of the Environmental, Social and Governance (ESG) sustainability goals with a weighting of 20 %. By considering earnings per share, a focus is placed on the long-term successful performance of the company as well as linking the interests of the Managing Directors with the interests of the shareholders.

The final payment of the long-term variable remuneration is made after the end of the assessment period. For the 2021 and 2022 financial years, a one-time payment on account amounting to 40 % of the target value in the event of 100 % target achievement was agreed and paid. At the end of the assessment period, it will be offset against any amount paid out in excess of this; no repayment has been agreed in the event that the sum falls short of this amount.

As at the reporting date, the Group recognised provisions for pension obligations to current Managing Directors of KSB Management SE amounting to € 645 thousand (previous year: € 644 thousand), and to former members of the Board of Management of KSB AG (excluding the Managing Directors of KSB Management SE) and their surviving dependants amounting to € 29,965 thousand (previous year: € 32,084 thousand). The total remuneration of the latter persons amounted to € 2,648 thousand in the financial year under review (previous year: € 2,761 thousand).

The members of the Supervisory Board receive a fixed remuneration, attendance fees and reimbursement of expenses. In addition, they receive remuneration for activities that require them to devote special time to the tasks of the Supervisory Board that go beyond preparing and holding meetings of the Supervisory Board and its committees. The short-term benefits paid to members of the Supervisory Board amount to € 996 thousand for the 2024 financial year (previous year: € 851 thousand). At the end of the financial year, a liability of € 554 thousand (previous year: € 472 thousand) was recognised towards the members of the Supervisory Board.

Furthermore, in the financial year under review the company concluded a settlement agreement with key management personnel of the company, its general partner and the general partner's parent company on the termination of a rental and lease agreement and on the handling of and purchase of various objects in connection with the termination of the rental and lease agreement. The Agreement provides for a one-off payment of € 107 thousand by the company to the relevant key management personnel, its general partner and the general partner's parent company. The settlement agreement does not include any further obligations for the company. Like all legal transactions with related parties, this transaction was performed at arm's length.

In addition, assets and services amounting to € 20 thousand (previous year: € 20 thousand) were sold to other related parties (corporate bodies) in the reporting year.

Auditors

The Annual General Meeting of KSB SE & Co. KGaA on 8 May 2024 resolved to appoint Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungsgesellschaft, based in Frankfurt am Main with an office in Mannheim, as auditors and group auditors for the 2024 financial year.

The following table shows the total fees for all services that KSB utilised in the reporting year from the global PwC network, to which the group auditors belong. It also shows the specific share of the total amount attributable to the Group auditors based in Germany.

Total fee PricewaterhouseCoopers/ Group auditors in 2024

€ millions	Worldwide PwC network	Attributable to: Pricewaterhouse Coopers GmbH Wirtschafts-prüfungs-gesellschaft
Audit fees	2.4	0.8
Tax advisory services	0.1	–
Other certification services	0.3	0.2
Other services	0.1	0.1
	2.9	**1.2**

The audit fees include costs for the audit of the consolidated financial statements and of the statutory annual financial statements of KSB SE & Co. KGaA and the subsidiaries included in the consolidated financial statements. The fees for other certification services primarily include attestation services outside of the audit of the consolidated financial statements. The fees for other services result in particular from consultancy services in connection with compliance matters and the tender due to the upcoming mandatory rotation of the auditor of the consolidated financial statements and the single-entity financial statements of KSB SE & Co. KGaA.

Use of exemption option

KSB Service GmbH, Frankenthal, KSB Service GmbH, Schwedt, Uder Elektromechanik GmbH, Friedrichsthal, Dynamik-Pumpen GmbH, Stuhr, PMS-BERCHEM GmbH, Neuss, Pumpen-Service Bentz GmbH, Reinbek, KAGEMA Industrieausrüstungen GmbH, Pattensen, and KSB FINANZ GmbH, Frankenthal, have made partial use of the exemption provision pursuant to Section 264(3) HGB [German Commercial Code].

Events after the Reporting Period

There were no events after the end of the financial year that are of particular significance for the Group's net assets, financial position and result of operations.

German Corporate Governance Code

The Managing Directors and the Supervisory Board of KSB SE & Co. KGaA issued the current Statement of Compliance with the recommendations of the Government Commission on the German Corporate Governance Code in accordance with Section 161 AktG [*Aktiengesetz* – German Public Companies Act] on 12 December 2024. The Statement is accessible to the public at KSB's web site: ksb.com/en-global > Investor Relations > Corporate Governance > Corporate Governance Statement / Statement of Compliance with the German Corporate Governance Code.

List of Shareholdings

Affiliates (national and international)

Cons. No.	Name and seat	Country	Activity[1]	Capital share in %	Group share of capital in %	Held by. No.
1	Canadian Kay Pump Limited, Mississauga / Ontario	Canada	H	100.00	100.00	
2	KSB Limited, Pimpri (Pune)	India	P	40.54	40.54	1
3	KSB MIL Controls Limited, Annamanada	India	P	49.00	19.86	2
				51.00	51.00	
4	Pofran Sales & Agency Limited, Pimpri (Pune)	India	S	100.00	40.54	2
5	Dynamik-Pumpen GmbH, Stuhr	Germany	SVC	100.00	100.00	
6	Hydroskepi GmbH, Amaroussion (Athens)	Greece	H	100.00	100.00	
7	KAGEMA Industrieausrüstungen GmbH, Pattensen	Germany	P	100.00	100.00	
8	KSB Armaturen Verwaltungs- und Beteiligungs-GmbH, Frankenthal	Germany	H	100.00	100.00	
9	OOO “KSB”, Moscow	Russia	SVC	100.00	100.00	8
10	IOOO “KSB BEL”, Minsk	Belarus	S	99.72	99.72	9
				0.28	0.28	8
11	TOO "KSB Kazakhstan", Almaty	Kazakhstan	S	100.00	100.00	9
12	TOV “KSB Ukraine”, Kyiv	Ukraine	S	100.00	100.00	9
13	TOB “KSB Ukraine” LLC, Kyiv	Ukraine	S	100.00	100.00	8
14	KSB Belgium S.A., Bierges-lez-Wavre	Belgium	S	100.00	100.00	
15	KSB Service Belgium S.A./N.V., Bierges-lez-Wavre	Belgium	SVC	100.00	100.00	14
16	KSB, Bombas e Válvulas, SA, Albarraque	Portugal	S	92.00	92.00	
				1.00	1.00	39
				1.00	1.00	60
				1.00	1.00	22
17	KSB Čerpadlá a Armatúry, s.r.o., Bratislava	Slovakia	S	100.00	100.00	
18	KSB Chile S.A., Santiago	Chile	P	100.00	100.00	
19	KSB Colombia S.A.S., Funza (Cundinamarca)	Colombia	S	100.00	100.00	
20	KSB DAG GmbH, Vienna	Austria	P	100.00	100.00	
21	KSB de Mexico, S.A. de C.V., Querétaro	Mexico	P	100.00	100.00	

[1] P = Production / assembly, S = Sales, SVC = Service, H = Holding, T = Technical service provider

Cons. No.	Name and seat	Country	Activity[1]	Capital share in %	Group share of capital in %	Held by No.
22	KSB FINANZ GmbH, Frankenthal	Germany	H	100.00	100.00	
23	Dalian KSB AMRI Valves Co., Ltd., Dalian	China	P	100.00	100.00	22
24	KSB Algérie Eurl, Bordj el Kifane (Alger)	Algeria	S	100.00	100.00	22
25	KSB Argentina S.A., Carapachay (Buenos Aires)	Argentina	P	95.00	95.00	22
				5.00	5.00	
26	KSB Australia Pty Ltd, Bundamba QLD	Australia	P	100.00	100.00	22
27	KSB New Zealand Limited, Albany / Auckland	New Zealand	S	100.00	100.00	26
28	KSB BRASIL LTDA., Várzea Paulista	Brazil	P	100.00	100.00	22
29	KSB Middle East FZE, Dubai	U.A.E.	S	100.00	100.00	22
30	KSB Pumps (S.A.) (Pty) Ltd., Germiston (Johannesburg)	South Africa	H	100.00	100.00	22
31	KSB Pumps and Valves (Pty) Ltd., Germiston (Johannesburg)	South Africa	P	70.00	70.00	30
32	KSB PUMPS AND VALVES LIMITED, Nairobi	Kenya	S	100.00	100.00	30
33	KSB Shanghai Pump Co., Ltd., Shanghai	China	P	80.00	80.00	22
34	KSB Finland Oy, Kerava	Finland	S	100.00	100.00	
35	KSB Hungary Kft., Budapest	Hungary	S	100.00	100.00	
36	KSB Industries B.V., Alphen aan den Rijn	Netherlands	H	100.00	100.00	
37	Duijvelaar Pompen B.V., Alphen aan den Rijn	Netherlands	SVC	100.00	100.00	36
38	KSB Manufacturing B.V., Alphen aan den Rijn	Netherlands	P	100.00	100.00	36
39	KSB Nederland B.V., Zwanenburg	Netherlands	S	100.00	100.00	36
40	KSB Italia S.p.A., Milan	Italy	P	100.00	100.00	
41	KSB ITUR Spain S.A., Zarautz	Spain	P	100.00	100.00	
42	KSB Korea Ltd., Seoul	South Korea	P	100.00	100.00	
43	KSB Limited, Hong Kong	China	S	100.00	100.00	
44	KSB Pump & Valve Technology Service (Tianjin) Co., Ltd, Tianjin	China	P	100.00	100.00	43
45	KSB Limited, Loughborough	United Kingdom	S	100.00	100.00	
46	KSB Ltd., Tokyo	Japan	S	100.00	100.00	
47	KSB Norge AS, Drøbak	Norway	P	100.00	100.00	
48	KSB Österreich Gesellschaft mbH, Vienna	Austria	S	100.00	100.00	
49	KSB Perú S.A., Lurin	Peru	S	100.00	100.00	
50	KSB Polska Sp. z o.o., Ozarow Mazowiecki	Poland	S	100.00	100.00	
51	KSB-Pompa, Armatür Sanayi ve Ticaret A.S., Ankara	Turkey	P	100.00	100.00	
52	KSB Pumps and valves L.t.d., Domžale	Slovenia	S	100.00	100.00	
53	KSB Pumps Co. Ltd., Bangkok	Thailand	P	49.00	49.00	
54	KSB Pumps Company Limited, Lahore	Pakistan	P	72.54	72.54	
55	KSB Pumps Inc., Mississauga / Ontario	Canada	S	100.00	100.00	

[1] P = Production / assembly, S = Sales, SVC = Service, H = Holding, T = Technical service provider

Cons. No.	Name and seat	Country	Activity[1]	Capital share in %	Group share of capital in %	Held by No.
56	KSB-Pumpy+Armatury s.r.o., koncern, Prague	Czech Republic	S	100.00	100.00	
57	KSB REEL S.r.l., Ponte di Nanto	Italy	P	100.00	100.00	
58	KSB S.A.S., Gennevilliers (Paris)	France	P	100.00	100.00	
59	KSB POMPES ET ROBINETTERIES S.à.r.l. d'Associé unique, Casablanca	Morocco	S	100.00	100.00	58
60	KSB (Schweiz) AG, Oftringen	Switzerland	S	100.00	100.00	
61	KSB Seil Co., Ltd., Busan	South Korea	P	100.00	100.00	
62	KSB Service GmbH, Frankenthal	Germany	SVC	100.00	100.00	
63	KSB Service GmbH, Schwedt	Germany	SVC	100.00	100.00	
64	KSB Singapore (Asia Pacific) Pte Ltd, Singapore	Singapore	P	100.00	100.00	
65	KSB Malaysia Pumps & Valves Sdn. Bhd., Shah Alam	Malaysia	P	100.00	100.00	64
66	KSB PHILIPPINES, INC., Makati City	Philippines	S	100.00	100.00	64
67	KSB Vietnam Co., Ltd, Long Thanh District	Vietnam	S	100.00	100.00	64
68	KSB Sverige Aktiebolag, Gothenburg	Sweden	S	100.00	100.00	
69	KSB Sverige Fastighets AB, Gothenburg	Sweden	S	100.00	100.00	68
70	PUMPHUSET Sverige AB, Sollentuna	Sweden	SVC	100.00	100.00	68
71	KSB Taiwan Co., Ltd., New Taipei City	Taiwan	S	100.00	100.00	
72	KSB Tech Pvt. Ltd., Pimpri (Pune)	India	T	100.00	100.00	
73	KSB Valves (Changzhou) Co., Ltd., Jiangsu	China	P	100.00	100.00	
74	KSB Valves Spain S.A., Burgos	Spain	P	100.00	100.00	
75	PAB Pumpen- und Armaturen-Beteiligungsges. mbH, Frankenthal	Germany	H	51.00	51.00	
76	KSB America Corporation, Richmond / Virginia	USA	H	100.00	51.00	75
77	KSB Dubric, Inc., Comstock Park / Michigan	USA	SVC	100.00	51.00	76
78	KSB GIW, Inc., Grovetown / Georgia	USA	P	100.00	51.00	76
79	KSB, Inc., Richmond / Virginia	USA	P	100.00	51.00	76
80	KSB, Inc. – Western Division, Bakersfield / California	USA	SVC	100.00	51.00	76
81	Standard Alloys Incorporated, Port Arthur / Texas	USA	SVC	100.00	51.00	76
82	PMS-BERCHEM GmbH, Neuss	Germany	SVC	100.00	100.00	
83	PT. KSB Indonesia, Cibitung	Indonesia	P	94.06	94.06	
				5.94	5.94	22
84	PT. KSB Sales Indonesia, Cibitung	Indonesia	S	99.00	99.00	83
				1.00	1.00	
85	Pumpen-Service Bentz GmbH, Reinbek	Germany	SVC	100.00	100.00	
86	SISTO Armaturen S.A., Echternach	Luxembourg	P	52.85	52.85	
87	Uder Elektromechanik GmbH, Friedrichsthal	Germany	SVC	100.00	100.00	

[1] P = Production / assembly, S = Sales, SVC = Service, H = Holding, T = Technical service provider

Joint ventures (international)

Cons. No.	Name and seat	Country	Activity[1]	Capital share in %	Group share of capital in %	Held by No.	Equity [2] € millions	Net profit / loss for the year [2] € millions
88	KSB MOTOR TEKNOLOJİLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ, Ankara	Turkey	P	55.00	55.00	51	0.1	0.0
89	KSB Pumps Arabia Ltd., Riyadh	Saudi Arabia	P	50.00	50.00	22	17.7	3.3
90	KSB Service LLC, Abu Dhabi	U.A.E.	SVC	49.00	49.00		11.3	1.4
91	Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd., Shanghai	China	P	45.00	45.00		48.0	3.1
92	1637534 Alberta Ltd., Edmonton*	Canada	P	41.14	41.14	78	3.0	0.0
93	PIP360 Inc., Edmonton*	Canada	SVC	100.00	41.14	92	0.1	0.0

* The companies are included together in the consolidated financial statements as a joint venture accounted for using the equity method.

Associates (international)

Cons. No.	Name and seat	Country	Activity[1]	Capital share in %	Group share of capital in %	Held by No.	Equity [2] € millions	Net profit / loss for the year [2] € millions
94	Motori Sommersi Riavvolgibili S.r.l., Cedegolo	Italy		25.00	25.00		8.9	6.1

[1] P = Production / assembly, S = Sales, SVC = Service, H = Holding, T = Technical service provider

[2] Data according to latest annual financial statements under IFRS

Companies not consolidated because of immateriality – Affiliates (national and international)

Cons. No.	Name and seat	Country	Activity[1]	Capital share in %	Group share of capital in %	Held by No.	Equity [2] € millions	Net profit / loss for the year [2] € millions
95	Geheimrat Dr. Jacob Klein-Unterstützungseinrichtung e.V., Frankenthal	Germany		100.00	100.00		0.1	0.0
96	KSB Bolivia S.R.L., La Paz	Bolivia	SVC	99.00	99.00	28	0.2	-0.1
				1.00	1.00			
97	KSB BOMBAS E VÁLVULAS (Angola), LDA, Belas	Angola	S	65.00	65.00		-0.1	-0.3
98	KSB (CAMBODIA) PUMPS & VALVES CO., LTD., Phnom Penh	Cambodia	S	100.00	100.00	64	0.1	0.0
99	KSB Ecuador S.A., Samborondón	Ecuador	S	100.00	100.00	28	1.4	0.1
100	KSB Egypt SOC, Cairo	Egypt	H	100.00	100.00		0.0	0.0
101	KSB Panama S.A., Panama	Panama	S	100.00	100.00	28	0.8	0.1
102	KSB Pumpe i Armature d.o.o. Belgrade	Serbia	S	100.00	100.00	52	0.4	0.1
103	KSB pumpe i armature d.o.o., Rakov Potok	Croatia	S	100.00	100.00	52	0.2	0.0
104	KSB PUMPS AND VALVES (NAMIBIA) (PROPRIETARY) LIMITED, Klein Windhoek	Namibia	S	100.00	100.00	30	0.0	0.1
105	KSB Pumps and Valves Nigeria Ltd, Lagos	Nigeria	S	60.00	60.00		0.1	0.0
106	KSB Service Egypt LLC, Cairo	Egypt	SVC	48.00	48.00		1.0	0.5
				11.00	11.00	100		
				1.00	1.00	22		
107	KSB ZAMBIA LIMITED, Kitwe	Zambia	S	100.00	100.00	30	0.5	0.0
108	Vari.Co. GmbH, Karlsruhe	Germany	T	51.00	51.00		0.2	0.0

[1] P = Production / assembly, S = Sales, SVC = Service, H = Holding, T = Technical service provider

[2] Data according to latest annual financial statements under IFRS

Supervisory Board

Dr. Bernd Flohr, Dipl.-Kfm., Dipl.-Soz., Geislingen
(Chair)
Former Executive Board Member of WMF AG

Claudia Augustin, Office Management Assistant, Pegnitz
(Deputy Chair)
Chair of the Pegnitz Works Council of
KSB SE & Co. KGaA

Klaus Burchards, Dipl.-Kfm., Stuttgart
Independent Auditor

Arturo Esquinca, Dipl.-Chemieing., MBA,
Forch, Switzerland
Head of Business Development,
Glas Trösch Holding AG

René Klotz, NC Programmer, Heßheim
(Member since 8 May 2024)
Chair of the Frankenthal Works Council of
KSB SE & Co. KGaA /
Chair of the General Works Council of KSB SE & Co. KGaA and KSB Service GmbH

Klaus Kühborth, Dipl.-Wirtsch.-Ing., Frankenthal
Managing Director of Johannes und Jacob Klein GmbH

Birgit Mohme, Industrial Business Management Assistant, Frankenthal
1st Delegate and Managing Director of
IG Metall Ludwigshafen/Frankenthal

Thomas Pabst, Dipl.-Ing., Freinsheim [1)]
Head of the Energy Market Area of KSB SE & Co. KGaA

Prof. Dr.-Ing. Corinna Salander, Dipl.-Physikerin, Berlin,
Head of the Railways Department of the Federal Ministry for Digital and Transport (BMDV)

Harald Schöberl, Industrial Business Management Assistant, Plech
Full-time Member of the Pegnitz Works Council /
Chair of the Group Works Council of KSB SE & Co. KGaA

Volker Seidel, Electrical and Electronics Installer, Münchberg
(Member until 31 December 2024)
1st Delegate and Treasurer of IG Metall Ostoberfranken

Gabriele Sommer, Dipl.-Geol., Berlin [2)]
Head of Business Development,
Management Systems & Certification, TÜV SÜD AG

Jürgen Walther, IT Coordinator, Offstein
(Member until 8 May 2024)
Deputy Chair of the Frankenthal Works Council of
KSB SE & Co. KGaA

Stefan Winnerlein, Industrial Mechanic, Nuremberg
(Member since 1 January 2025)
1st Delegate and Managing Director of
IG Metall Ostoberfranken

Mandates of KSB Supervisory Board members on the Supervisory Board / Board of Directors of other companies

1) Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd., Shanghai, China
2) TÜV SÜD Industrie Service GmbH, Munich
TÜV SÜD Auto Service GmbH, Stuttgart
(until 31 March 2024)

Legal Representatives

Managing Directors of KSB Management SE

Dr. Stephan Jörg Timmermann,
CEO, Augsburg [1)]
Strategy, Human Resources, Communications, Internal Audits, Legal & Compliance, Patents & Trademarks, Service

Dr. Stephan Bross, Weinheim [2)]
Global Operations, Research and Development, Innovation and Complexity Management, Digital Transformation, Committees and Associations

Ralf Kannefass, Regensburg [3)]
Sales and Marketing

Dr. Matthias Schmitz, Frankenthal [4)]
Taxes, Controlling KSB Group, Finance, Accounting, Information Technology and Procurement

Mandates of the Managing Directors on the Board of Directors of KSB companies

1) KSB America Corporation, Richmond / Virginia, USA
KSB GIW, Inc., Grovetown / Georgia, USA

2) KSB Limited, Pimpri (Pune), India
KSB MOTOR TEKNOLOJİLERİ SANAYİ VE TİCARET ANONİM ŞİKETİ, Ankara, Turkey
KSB MIL Controls Limited, Annamanada, India

3) KSB Shanghai Pump Co., Ltd., Shanghai, China
Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd., Shanghai, China
KSB Pumps (S.A.) (Pty) Ltd., Germiston (Johannesburg), South Africa
KSB Pumps and Valves (Pty) Ltd., Germiston (Johannesburg), South Africa

4) KSB Industries B.V., Alphen aan den Rijn, Netherlands
Canadian Kay Pump Limited, Mississauga / Ontario, Canada
KSB Limited, Pimpri (Pune), India
KSB Shanghai Pump Co., Ltd., Shanghai, China
KSB Pumps Arabia Ltd., Riyadh, Saudi Arabia
KSB Österreich Gesellschaft mbH, Vienna, Austria

Members of the Administrative Board of KSB Management SE

Oswald Bubel, Chair, Saarbrücken

Monika Kühborth, Deputy Chair, Homburg
Managing Director of Klein, Schanzlin & Becker GmbH

Michael Eckert, Hamburg (since 17 June 2024)

Günther Koch, Ludwigshafen (until 17 June 2024)

Dr. Harald Schwager, Speyer [1)]
Deputy Chairman of the Executive Board of Evonik Industries AG

Andrea Teutenberg, Kaarst [2)]

Mandates on statutory Supervisory Boards

1) Evonik Operations GmbH, Essen
(Chair of the Supervisory Board)
Currenta GmbH & Co. OHG, Leverkusen

Mandates in comparable supervisory bodies

1) Member of the Presidential Board of DEKRA e.V., Stuttgart

2) Member of the Advisory Board,
EJOT Holding GmbH & Co. KG, Bad Berleburg
Member of the Advisory Board,
Talbot Holding GmbH, Aachen

Proposal on the Appropriation of the Net Retained Earnings of KSB SE & Co. KGaA

The following proposal on the appropriation of the net retained earnings of € 128,166,856.12 of KSB SE & Co. KGaA will be submitted to the Annual General Meeting on 8 May 2025:

Proposal for the appropriation of net retained earnings

€	
Dividend of € 26.50 per ordinary no-par-value share	23,495,297.50
Dividend of € 26.76 per preference no-par-value share	23,139,693.12
Total dividends	**46,634,990.62**
Carried forward to new account	**81,531,865.50**
	128,166,856.12

Frankenthal, 12 March 2025

KSB Management SE

The Managing Directors

The annual financial statements of KSB SE & Co. KGaA were prepared in accordance with German accounting principles. They are published in the *Bundesanzeiger* [German Federal Gazette]. These annual financial statements are also available online:
ksb.com/financialstatements

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Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report for the Group and KSB SE & Co. KGaA includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Frankenthal, 12 March 2025

KSB Management SE

The Managing Directors

Independent Auditor's Report

To KSB SE & Co. KGaA, Frankenthal

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of KSB SE & Co. KGaA, Frankenthal, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of KSB SE & Co. KGaA, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the section "Corporate Governance Systems" of the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the section referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit were as follows:

❶ Accounting treatment of project orders recognized over time

Our presentation of this key audit matter has been structured as follows:

① Matter and issue
② Audit approach and findings
③ Reference to further information

Hereinafter we present the key audit matter:

❶ Accounting treatment of project orders recognized over time

① In the Company's consolidated financial statements revenue totaling EUR 2,965.2 million is reported in the consolidated income statement. The Company has put in place comprehensive systems and processes throughout the Group for the purposes of accurately recognizing and deferring revenue. Revenue amounting to EUR 638.8 million is attributable to project orders recognized over time and the service business. In the case of project orders, the stage of completion is estimated based on the ratio of costs already incurred to budgeted total costs. IFRS 15 requires estimates and judgments to be made for certain areas, which were assessed for appropriateness in the context of our audit. In particular, the estimation of the planned total costs of the project orders to be recognized over time and the appropriate allocation of costs incurred to the orders are based on the estimates and assumptions made by the executive directors. Against this background and due to the resulting estimation uncertainties and the complexity of the accounting treatment under Group-wide application of IFRS 15, this matter was of particular significance in the context of our audit.

② As part of our audit, among other things we assessed the processes and controls established by the Group for the recognition of revenue from project orders recognized over time, taking into account the stage of completion. In addition, with respect to project orders recognized over time we examined projects on a sample basis to determine whether they met the requirements for recognizing revenue over time in accordance with IFRS 15. We assessed the estimates and judgments made by the executive directors with respect to the recognition and deferral of revenue for the various business models of the Group companies. Furthermore, we assessed the calculation of percentage of completion and the proportionate recognition of revenue and profit derived from this. In this connection we examined the calculation of both the budgeted total costs and the costs actually incurred. We assessed the progress of the respective projects, among other things based on interviews with project managers and by inspecting project documentation. In addition, we assessed the consistency of the methods used to calculate the costs incurred. We also addressed the inherent audit risk in this audit area by means of audit procedures that were consistently applied throughout the Group. We were able to satisfy ourselves that the systems, processes and controls in place are appropriate and that the estimates and assumptions made by the executive directors are sufficiently documented and substantiated to ensure that revenue is appropriately accounted for.

③ The Company's disclosures on the accounting treatment of project orders recognized over time are contained in sections III. "Accounting policies", IV. "Notes to the balance sheet", nos. 8 and 13 and V. "Notes to the income statement", no. 14 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the section “Corporate Governance Systems” of the group management report as an unaudited part of the group management report.

The other information comprises further

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the separate non-financial report to comply with §§ 289b to 289e HGB and §§ 315b to 315c HGB
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor’s report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file ksbsecokgaa_KA_LB_ESEF-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 8 May 2024. We were engaged by the supervisory board on 30 September 2024. We have been the group auditor of the KSB SE & Co. KGaA, Frankenthal, without interruption since the financial year 2015.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to An Other Matter– Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Dirk Wolfgang Fischer.

Mannheim, 12 March 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dirk Wolfgang Fischer	Matthias Böhm
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Glossary

Abbreviations

ASEAN
Association of Southeast Asian Nations

CapEx
Capital expenditure (CapEx) refers to funds that a company uses to acquire, upgrade and maintain physical assets such as real property, plants, buildings, technology or equipment.

CBAM
The Carbon Border Adjustment Mechanism (CBAM) is an instrument of the European Union that aims to ensure a fair price on the carbon emitted during the production of carbon-intensive goods that are imported into the EU. Once the CBAM has been fully phased in, importers of certain goods will have to buy CBAM certificates corresponding to the carbon emissions caused by the manufacture of their products.

CO_2eq
Carbon dioxide equivalent is the standard measurement for comparing and taking into account the impact of GHG emissions based on their global warming potential.

CSDDD
Corporate Sustainability Due Diligence Directive: The EU Directive on corporate sustainability due diligence obliges companies to identify, prevent or mitigate the adverse human rights and environmental impacts of their activities.

CSR
Corporate Social Responsibility

CSRD
Corporate Sustainability Reporting Directive: The EU Sustainability Reporting Directive requires Member States to introduce mandatory reporting requirements that oblige companies to provide detailed performance information, which must be verified by external auditors, on a range of environmental, social and governance factors in accordance with uniform standards.

DEFRA
DEFRA stands for the Department for Environment, Food and Rural Affairs. It is a ministerial department of the UK government that is responsible for environmental protection, food production and standards, agriculture, fisheries and rural communities in the UK.

DIIR
Deutsches Institut für Interne Revision e.V.
[German Institute of Internal Auditors]

DNSH
In the context of the non-financial report, DNSH (Do No Significant Harm) means that in order to be considered sustainable, an activity must make a material contribution to one of the defined environmental objectives without causing significant harm to any of the other objectives. This ensures that positive environmental impacts are not undermined by negative impacts in other areas.

EFRAG
European Financial Reporting Advisory Group: EFRAG was established by the European Union (EU) and the private sector to provide technical advice to the European Commission on corporate reporting issues. Within the framework of the CSRD, EFRAG monitors the European sustainability reporting standards (ESRS), which define the CSRD disclosure requirements and associated guidelines.

ESG
ESG stands for Environmental, Social and Governance and serves as a framework for assessing a company's impact on the environment, its social responsibilities and the quality of its corporate governance.

ESRS
The European Sustainability Reporting Standards (ESRS) are a set of reporting standards developed by EFRAG to implement the requirements of the Corporate Sustainability Reporting Directive (CSRD). These standards cover a wide range of environmental, social and governance topics, including climate change, biodiversity and human rights. The ESRS define a uniform scope (and in some cases also prescribe the form of presentation) of reporting, which is intended to enable the reader to understand and compare the sustainability impacts of companies.

GWP
Global Warming Potential: GWP compares the impacts of different gases on global warming and is used in GHG accounting. The climate impact of carbon dioxide (GWP of CO_2 is equal to 1) serves as a benchmark, i.e. the global warming potentials of other gases are measured relative to CO_2. The GWP value/CO_2 equivalent indicates the global warming potential of a gas and thus its contribution to warming the atmosphere.

IFRS
International Financial Reporting Standards developed by the IFRS Foundation. These standards aim to enable globally comparable and transparent financial reports in order to improve the quality of financial information and strengthen investor trust.

IPCC
Intergovernmental Panel on Climate Change: The IPCC is the United Nations body for assessing the science related to climate change, mitigation options and adaptation steps to address the impacts of climate change. It publishes regular reports, including a summary for policymakers.

IROs
Impacts, Risks and Opportunities: CSRD reporting focuses on driving disclosures that show how companies deal with IROs in relation to their business activities and the value chain in the short, medium and long term.

ISO
International Organisation for Standardisation: ISO develops standards that help organisations to manage a range of areas, including their quality, energy, environmental and social performance.

IMF
International Monetary Fund

LCA
Life Cycle Assessment is a method for measuring the environmental impact along the value chain of products in compliance with the LCA standards ISO 14044 and ISO 14048.

MCI
The Material Circularity Indicator (MCI) is an indicator that measures the circularity of a product. Developed by the Ellen MacArthur Foundation, the MCI covers the entire life cycle of a product: from raw material extraction, processing and assembly through to use and the end-of-life phase. The MCI analyses how well resources are reused, recycled or regenerated.

NFRD
Non-Financial Reporting Directive: The NFRD required EU companies to disclose non-financial information and was adopted in 2014. It is gradually being replaced by the CSRD.

OpEx
Operational expenditure is expenditure that a company incurs through its normal business activities and that does not represent long-term investment in physical assets.

OECD
Organisation for Economic Co-operation and Development

PFAS
PFAS stands for per- and polyfluoroalkyl substances. These chemical compounds consist of a large group of synthetic chemicals that have fluorine atoms attached to alkyl chains. PFAS are known for their resistance to degradation processes, which makes them highly persistent in the environment.

SASB
The Sustainability Accounting Standards Board (SASB) is a non-profit organisation that creates and maintains industry-specific standards that guide companies in disclosing financially material sustainability information to investors and other financial stakeholders.

SBTi
The Science Based Targets initiative defines the criteria for and reviews short-term and long-term greenhouse gas (GHG) emissions reduction targets for companies. It has developed guidelines and industry-specific standards to support this objective.

SFDR
The Sustainable Finance Disclosure Regulations (SFDR) are a disclosure framework for asset managers and other financial market participants. The aim is to ensure transparency about the degree of sustainability of financial products for end investors in the EU.

UNGP
UN Guiding Principles on Business and Human Rights

UNGC
The United Nations Global Compact is a United Nations initiative that encourages companies to align their strategies and business practices with ten universal principles relating to the areas of human rights, labour standards, environmental protection and anti-corruption. The aim of the UNGC is to motivate companies to instigate measures that promote social goals and contribute to the implementation of the Sustainable Development Goals (SDGs).

VDMA
Verband Deutscher Maschinen- und Anlagenbau e.V. [German Mechanical Engineering Industry Association]

WWF BRF
The WWF Biodiversity Risk Filter processes relevant and available biodiversity data and links it to a company's own business locations and its supply chain. It currently covers potential biodiversity-related physical and reputational risks.

WWF WRF
The WWF Water Risk Filter (WRF) is a leading, free online tool provided by the World Wide Fund for Nature that helps companies and investors to explore, assess and respond to water risks. It provides a comprehensive risk assessment that takes into account physical, regulatory and reputational risks. The WRF provides support with prioritising actions in order to increase resilience to water risks and contribute to a sustainable future.

Key corporate and technical terms

Additive manufacturing
Previously referred to as rapid prototyping: a process which enables rapid and cost-effective production of patterns, samples, prototypes, tools and final products.

Chief Compliance Officer
Assesses and reviews, inter alia, compliance with applicable law and internal guidelines by staff.

Circular economy
The circular economy is a model of production and consumption that involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products for as long as possible.

Climate scenario analysis
Process in which various possible future climate developments are modelled and evaluated. These analyses help to understand the potential impact of climate change on various areas such as the environment, economy and society and to develop suitable adaptation strategies.

Corporate governance
The company-specific Corporate Governance System encompasses the entirety of relevant laws, directives, codes, memoranda of understanding, corporate guidelines and practices of the company's Management, as well as the relevant supervisory bodies.

CSR Risk Check
The CSR Risk Check is a tool provided by MVO Nederland that helps companies identify corporate social responsibility (CSR) risks in their international supply chains. It is aimed at companies that import products, produce abroad or export products.

Digital data labelling (tagging)
Digital data labelling involves tagging data in digital documents with specific codes to make the information machine-readable and easily accessible. This is done using the Extensible Business Reporting Language (XBRL), a standardised language for communicating and exchanging business information.

Double Materiality Assessment (DMA)
The Double Materiality Assessment (DMA) forms the basis and defines the scope of sustainability reporting. The DMA required by the CSRD assesses the impact of a company's activities on the environment and people, and how environmental and social aspects influence the company's financial performance.

Due diligence
Due diligence is the process of performing a thorough investigation and analysis to identify potential risks and opportunities before making important decisions.

Ecoinvent
Ecoinvent is a comprehensive database used for Life Cycle Assessments (LCA). It contains over 20,000 data records that model human activities and processes. This database enables users to understand and assess the environmental impact of their products and services.

EEA countries
As an economic area, the countries of the European Economic Area form a deepened free trade area between the European Union and three countries of the European Free Trade Association (EFTA).

EEIO factors
EEIO factors stands for Environmentally Extended Input-Output factors. These factors are used in environmental

input-output analysis to assess the environmental impact of economic activities.

ESG assessment
An ESG assessment (Environmental, Social and Governance assessment) is an evaluation process that analyses a company's environmental, social and governance performance. The aim is to assess the sustainability and responsibility of a company and to identify potential risks and opportunities.

EU taxonomy
The EU taxonomy is a classification system that defines environmentally friendly economic activities. It aims to provide a common framework for companies, investors and policymakers to identify activities that make a material contribution to environmental objectives (e.g. climate protection, transition to a circular economy, pollution prevention and biodiversity conservation).

Fraud activities
Term frequently used in internal auditing to describe fraudulent practices and transactions

Geheimrat Dr. Jacob Klein-Unterstützungseinrichtung e.V.
Charitable organisation in the form of a benevolent fund which provides support to current and former employees and their immediate families in cases of urgent financial need.

Gender pay gap
Gap between the average salary of men and women.

GHG emissions
Greenhouse gas emissions (GHG emissions) include carbon dioxide, methane and nitrous oxide. The GHG Protocol categorises them as Scope 1 – direct and controlled by the company, Scope 2 – indirect, resulting from purchased electricity, steam, heating and cooling consumed by the reporting company, and Scope 3 – all other indirect emissions, e.g. in the value chain.

Global Learning Center
KSB training facility for employees worldwide

Green Deal
The European Green Deal is a comprehensive strategy that aims to make the European Union climate-neutral by 2050.

Greenhouse Gas (GHG) Protocol
Standard for calculating CO_2 and greenhouse gas emissions

Human Rights Due Diligence
Process for identifying negative impacts of a company's own business activities on human rights

IntegrityNext
Software solution used by KSB to manage sustainability in supply chains

International Labour Organisation (ILO)
Specialised United Nations agency responsible for drawing up and overseeing international labour standards and social standards

Life Cycle Assessment
A Life Cycle Assessment (LCA), also known as a life cycle analysis, is a method for evaluating the environmental impact associated with all phases of the life cycle of a product, process or service.

Lost Time Accident Rate (LTAR)
This occupational health and safety indicator measures the number of working hours lost due to accidents per employee and year.

Net zero
Achieving net-zero GHG emissions for a company means that all GHG emissions generated in a year can be removed from the atmosphere naturally or artificially. This means that the amount of emissions emitted is equal to the amount of emissions removed, leading to a net result of zero. Alignment with the requirements defined in the SBTi Corporate Net-Zero Standard is a credible way for companies to achieve this goal.

Resilience analyses
Systematic studies aimed at assessing the ability of systems, organisations or communities to respond to crises and disruptions and to adapt to changing conditions

Scope 1 – 3 (categories of greenhouse gas emissions)
In the context of greenhouse gas emissions, the term "scope" refers to the different categories of emissions caused by a company. These categories are classified into three areas in accordance with the Greenhouse Gas (GHG) Protocol:
Scope 1: Direct emissions from company-owned or controlled sources, such as emissions from its own boilers or vehicle fleet
Scope 2: Indirect emissions from the consumption of purchased energy, e.g. electricity, heat or cooling
Scope 3: All other indirect emissions that occur in the company's value chain, such as business travel, waste management, purchased goods and services or the product use phase

SoSafe
Software used by KSB to strengthen the security culture and reduce human risks in IT security

Stakeholders
Groups of people who are directly or indirectly affected by a company's activities. KSB's main stakeholders are customers, suppliers, investors, employees and the public.

Sustainable Development Goals (SDG)
17 goals for sustainable development set out by the United Nations

Task Force on Climate-related Financial Disclosures (TCFD)
The Task Force on Climate-related Financial Disclosures developed guidelines that define the information that companies should disclose when assessing climate-related financial risks, including the main transition risks and physical risks for the company resulting from climate change.

TNFD-LEAP approach
The TNFD-LEAP approach is an integrated approach developed by the Taskforce on Nature-related Financial Disclosures (TNFD) to identify and assess nature-related issues.

UK Modern Slavery Act
British law combating modern slavery, forced labour and human trafficking

UN Global Compact (UNGC)
United Nations initiative for responsible corporate governance based on ten universal principles

Vision Zero
Prevention concept developed by the International Social Security Association (ISSA) in order to reduce the number of occupational accidents

Whistleblower
Person who discloses information about an organisation, usually in connection with misconduct or wrongdoing

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Global learning platform for KSB employees

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WE SUPPORT

As a signatory to the United Nations Global Compact, KSB is committed to endorsing the ten principles of the international community in the areas of human rights, labour standards, environmental protection and anti-corruption.

The KSB Group's Annual Report is also available in German.

Digital Annual Report
Online Annual Report with additional functions:
ksb.com/online-report
PDF version for download:
ksb.com/annualreport

Financial Calendar

6 May 2025
Quarterly financial report
January – March 2025

8 May 2025
Annual General Meeting

30 July 2025
Half-year financial report
January – June 2025

12 November 2025
Quarterly financial report
January – September 2025

3 February 2026
Preliminary report on the
2025 financial year

26 March 2026
Report on the 2025 financial year
Financial press conference

You will find the latest information on the 2025 Annual General Meeting at:
ksb.com/agm

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