Dear Readers,

Sustainability is an indispensable pillar of our corporate strategy. For us, acting responsibly means maintaining a balance between social responsibility and profitable growth for our employees and shareholders. Sustainable action affects all areas of KSB as a company. Our philosophy: Less talk, more action!

As well as the responsible use of resources and the environment, this also includes our responsibility to employees and corporate social commitment. In the areas of human rights, labour standards as well as the environment and anti-corruption, KSB follows the principles of the UN Global Compact, which the company joined in 2010.

KSB’s goal is to minimise our impact on the environment and to reduce our energy consumption and carbon dioxide emissions to a minimum in the manufacture of pumps and valves. At the same time, KSB’s products make a direct contribution towards protecting the environment, for example by saving energy.

KSB’s sustainability principles are binding for all Group locations and companies. The Group operates a global integrated management system to ensure consistently high standards worldwide in the areas of quality, risk management, environment, health, occupational safety, compliance and sustainability.

We take responsibility for striking the right balance between growth and sustainability and invest accordingly. KSB is stepping up and contributing towards a sustainable world – for the benefit of our customers and employees. For the future of our children.

“KSB is stepping up and contributing towards a sustainable world.”
KSB is a leading supplier of pumps, valves and related support services. Its reliable, high-efficiency products are used in applications whenever fluids need to be transported or shut off, covering everything from building services, chemicals and petrochemicals, industry and water transport to waste water treatment, power plant processes 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. Around the globe, more than 190 service centres and around 3,500 service specialists are on hand to provide local inspection, servicing, maintenance and repair services under the KSB SupremeServ brand. Innovative technology that is the fruit of KSB's research and development activities forms the basis for the company's success.

The 2020 Financial Year

Order intake

€ 2,143 m

Sales revenue

€ 2,208 m

Company profile

KSB Profile

The 2020 Financial Year

Order intake

€ 2,143 m

Sales revenue

€ 2,208 m

Company profile

KSB is a leading supplier of pumps, valves and related support services. Its reliable, high-efficiency products are used in applications whenever fluids need to be transported or shut off, covering everything from building services, chemicals and petrochemicals, industry and water transport to waste water treatment, power plant processes 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. Around the globe, more than 190 service centres and around 3,500 service specialists are on hand to provide local inspection, servicing, maintenance and repair services under the KSB SupremeServ brand. Innovative technology that is the fruit of KSB's research and development activities forms the basis for the company’s success.

The 2020 financial year in 150 seconds

https://annualreport2020.ksb.com/150seconds

EBIT

€ 70.2 m

Earnings before finance income / expense and income tax

Employees

15,076

(31 December 2020)
## Our Nine Goals

KSB has set itself nine binding sustainability goals which we aim to achieve by 2025 at the latest.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Description</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>We reduce CO₂ emissions from our production sites</td>
<td>by 30%</td>
</tr>
<tr>
<td>2.</td>
<td>KSB's water pumps save an annual</td>
<td>850,000 tonnes of CO₂</td>
</tr>
<tr>
<td>3.</td>
<td>Women make up at least</td>
<td>20% of our management staff.</td>
</tr>
<tr>
<td>4.</td>
<td>We assess the sustainability performance of</td>
<td>90% of our key suppliers.</td>
</tr>
<tr>
<td>5.</td>
<td>KSB rates the eco-balance of</td>
<td>more than half of the newly developed products.</td>
</tr>
<tr>
<td>6.</td>
<td>We are involved in</td>
<td>25 social projects per year worldwide.</td>
</tr>
<tr>
<td>7.</td>
<td>We increase the annual number of hours devoted to professional development per employee to</td>
<td>30 hours</td>
</tr>
<tr>
<td>8.</td>
<td>The employee satisfaction index is</td>
<td>80%</td>
</tr>
<tr>
<td>9.</td>
<td>The number of working days lost due to occupational accidents is reduced to less than</td>
<td>0.3 days per employee per year.</td>
</tr>
</tbody>
</table>
What’s Coming

Trends influence our future and define the fields of action to be tackled by companies. KSB creates innovative products and solutions to meet the challenges of the future.
Rising Energy Consumption

The demand for climate-friendly energy is rising worldwide. Grid operators rely on KSB to ensure that the electricity generated by offshore wind farms reaches consumers with as little energy loss as possible. For example, our submersible borehole pumps are used on converter platforms.
Energy and Resource Efficiency

High-efficiency products help to reduce the consumption of energy and raw materials. The KSB SuPremE motor is the world’s most efficient magnet-less pump motor.
Clean water is a scarce resource. Fortunately, efficient technology can be used to supply people with drinking water. For example, pumps at the lowest point of the Nepean dam in Australia extract the raw water and transport it to the filtration plant to treat it for the residents of Sydney.
Circular Economy

Resources are finite! Circular economy models enable products and raw materials to be used for the longest possible time. KSB uses recycling processes in its foundries to return resources such as sand to the production cycle.
The responsible use of natural resources is important to KSB. Our goal is to reduce the consumption of energy and raw materials as much as possible.
KSB Italia S.p.A. is making an important contribution towards achieving this and was recently awarded Zero Emissions certification in accordance with the environmental management standard ISO 14064. By leveraging internal measures and carbon offsetting activities, the carbon footprint of the plant in Concorezzo is net zero.

“A few years ago, we started to take a close look at the energy data of all the buildings at our plant,” says Oscar Bellotto, who oversees sustainability-related issues at the site. “Based on our analysis, we then initiated targeted measures.” These include the use of photovoltaic systems to generate electricity and solar collectors for hot water. “Since the beginning of this year, 100 percent of our electricity comes from renewable energy,” explains Bellotto.

KSB’s subsidiary KAGEMA Industrieausrüstungen GmbH in Germany is proof that profitability and sustainability can work hand in hand. A large proportion of the company’s energy requirements are met by a 99-kilowatt photovoltaic system which does not produce any harmful carbon dioxide emissions. In addition to saving the company tens of thousands of euros every year, the system is also preventing emissions of around 40 tonnes of CO₂ per year. KAGEMA also purchased more than 1,500 climate protection certificates for 2020 and supported a reforestation project in Uruguay in order to offset all the remaining carbon dioxide emissions that are created, for example from the operation of its products.

“In addition to being carbon neutral, we are employing a raft of measures to ensure our sustainable and profitable operation,” explains Alexander Rothenberger, Managing Director of KAGEMA. “Our initiatives also rely on the support of our valued employees, who have brought some great ideas to the table.”

By 2025, KSB aims to reduce CO₂ emissions at its production plants by 30 percent – compared to 2018 levels.
Our Goal by 2025

We reduce CO₂ emissions from our production sites by 30%.

Progress at the end of 2020:

In 2020, KSB production sites reduced carbon dioxide emissions by more than 15 percent (compared with the base year 2018).
By 2025, KSB aims to reduce the CO₂ emissions generated through the operation of its water pumps by 850,000 tonnes per year in Europe alone by using variable speed drives.

Mr Gontermann, what role does energy efficiency play in pumps?

Gontermann: Many of KSB’s products and service offerings contribute to the efficient and responsible operation of customers’ systems. Our company therefore strives to maximise its range of products offering many years of operation characterised by reliability and low energy consumption. By 2025, KSB aims to reduce the CO₂ emissions generated through the operation of its water pumps by 850,000 tonnes per year in Europe alone by using variable speed drives.

How can this be achieved?

Gontermann: To assess how much carbon dioxide our water pumps save during operation, KSB’s Product Management in 2020 determined the number of these pump sets in use based on the production volume since 2004, and calculated their average annual energy consumption. This estimate assumes 7,000 operating hours and a typical load profile for these applications, as well as the average CO₂ equivalent for Europe of 343 g/kWh according to the German Association of the Automotive Industry (VDA) for 2019 for the European Union (EU28) electricity mix. As shown in the Energy Efficiency with Electric Drives study from the German Electrical and Electronic Manufacturers’ Association (ZVEI), demand-oriented operation via the use of variable speed drives and high-efficiency motors allows energy savings averaging 30 % compared with conventional fixed-speed pump systems. Savings of 30 % can therefore also be assumed for KSB’s standardised water pumps.

It’s not only the pump’s motor that makes a difference then?

Gontermann: Maximum efficiency can only be achieved if you look at the hydraulic system as a whole and optimise it to ensure demand-driven operation. KSB offers precisely this expertise – we analyse our customers’ systems, not just individual components.
Our Goal by 2025

KSB water pumps save 850,000 tonnes of CO₂ annually.

Progress at the end of 2020:
KSB water pumps have so far saved 428,902 tonnes of CO₂.
Resource Efficiency

By 2025, KSB intends to assess the environmental impact of more than 50 percent of its development projects in accordance with the ISO 14040 international standard.

By assessing both new product developments and significant design changes to existing type series, this will support the creation of detailed life cycle assessments for new products. Our holistic approach will ensure that indirect environmental impacts are taken into account throughout the life cycle of our products, covering all relevant sourcing from and emissions into the environment.

In 2020, KSB developed a life cycle assessment strategy for new product developments and significant design changes to existing type series. Our in-house product developers defined a suitable process to apply to further development projects.
Our Goal by 2025

KSB rates the eco-balance of more than half of the newly developed products.

Progress at the end of 2020:
Ecological rating for seven percent of newly developed products
In 2010, KSB signed the UN Global Compact and committed itself to aligning its business activities with ten universal principles in the areas of labour standards, environmental protection, anti-corruption and human rights. The Global Compact principles apply to all KSB employees and to all of our suppliers and business partners.

KSB aims to assess the sustainability performance of 90 percent of its global and regional key suppliers by 2025. Especially important in this regard is their approach to human rights. KSB does not tolerate human rights violations, either within the Group or at supplier companies.

Goods receipt in Frankenthal: KSB assesses the sustainability performance of suppliers.

Learn more
Our Goal by 2025

We assess the sustainability performance of

90% of our key suppliers.

Progress at the end of 2020:
KSB has assessed
50 percent of its key global suppliers.
A company’s business success is largely determined by the knowledge, skills and commitment of its employees. KSB therefore aims to offer an attractive working environment in which employees can further their personal development, drive innovation and use their abilities for the benefit of customers.
Women

Diversity and equal opportunities are important success factors for companies. KSB is therefore committed to ensuring a balanced mix of men and women in specialist and management positions.

“Strong women make waves,” says Mollie Timmerman, Business Development Manager at KSB’s US subsidiary GIW Industries. In our video portrait, she shares how she makes an impact, how diversity fuels success, and what younger women interested in a career in engineering or the mining field should keep in mind.

As Martina Szautner, Head of Human Resources at KSB, explains, “Women represent enormous potential for specialist and leadership positions at KSB – many are highly qualified, socially competent and career-oriented. In addition, companies with a balanced mix of men and women in senior management positions are more economically successful and more attractive as employers.”
5 Employees

→ Women
- Professional Development
- Satisfaction
- Occupational Health and Safety

Our Goal by 2025

Women make up at least 20% of management staff.

Progress at the end of 2020:
The proportion of women in management positions at KSB is 13 percent.
Professional Development

Employee knowledge is a decisive factor, especially in the age of digitalisation. KSB therefore implements targeted training measures to continuously develop the skills and knowledge of its workforce.

Through their skills, knowledge and commitment, employees play a key role in shaping their company. KSB’s economic success would not be possible without the commitment of more than 15,000 people worldwide.

With a network of production plants, sales locations and service workshops spanning the globe, the people who work for the KSB Group are accordingly diverse, contributing their experiences, cultures, perspectives, ideas and ways of thinking. “We value the individuality of our employees, and their diversity is a real enrichment,” says Martina Szautner, who as Head of Human Resources is responsible for Group-wide personnel issues.

“We seek to engage with every personality in the company,” Szautner adds. “KSB actively supports the professional development of its staff in order to foster their long-term commitment to the company. At the same time, however, our employees’ own initiative is required.” The company therefore sets great store by life-long learning – something which is especially important in the age of digitalisation.

To give employees the opportunity for further development, KSB addresses their individual needs. Together with their line manager, tailored training programmes are agreed. Flexible support for this approach is provided by the company’s Global Learning Center, whose programme includes team-based collaborative learning or online training.

In 2020, KSB employees made greater use than ever before of the company’s Internet-based learning platform for virtual training. As a result of the pandemic, digital formats replaced most face-to-face training. In addition, training organised within the scope of four international projects covered the increased demand for professional development.

The implementation of the newly introduced market-oriented organisational structure also gave rise to new learning content. Almost 13,000 employees from 55 countries are now able to use the learning platform. Furthermore, KSB has enabled its employees to participate in more virtual training courses offered by external providers. In 2020, a total of 24,164 training sessions were held via the online platform alone; 8,617 employees participated.

The company will continue to expand its range of e-learning modules and online seminars.

Virtual learning: The number of participants in online training courses has significantly increased as a result of the pandemic.
Our Goal by 2025

We increase the annual number of hours devoted to professional development per employee to 30 hours.

Progress at the end of 2020:
In 2020 our employees completed an average of 14.6 professional development hours.
Satisfaction

Across the globe, more than 15,000 employees are committed to serving KSB’s customers. The foundation for this success is a motivated workforce performing to the best of its abilities, which is why the company fosters employee satisfaction with a whole series of measures worldwide.

Like all companies, KSB needs high-performing and committed individuals. The Group therefore attaches great importance to employee satisfaction and strives to be an attractive employer. As well as providing extra benefits such as health and sports activities or additional social support, KSB continuously surveys employee satisfaction. By 2025, the goal is to increase the level of employee satisfaction from currently 56 percent to 80 percent. “In order to achieve this we plan to implement even more activities that are directly accessible for our employees,” explains Martina Szautner. “Satisfaction comes when you feel the benefit of positive change directly.”

At KSB, everyone can play an active role in developing the company. Employees worldwide can offer their input in a variety of forums including regular round-table discussions with Managing Directors and information events. They give participants the chance to express their opinions in an informal exchange on a completely free choice of topics. This approach often leads to real improvements in the working environment.

KSB understands the value of employees who are committed and passionate about the company’s success. As an attractive employer, the company strives to create motivating working conditions for its employees. KSB regularly evaluates the satisfaction of its workforce by conducting an employee survey every three years; the next one will be carried out in 2022.

To further increase employee satisfaction, KSB even managed to implement measures under the challenging pandemic conditions of 2020. Virtual events enabled the continuation of open exchange between managers and employees to continue. The company has introduced its own satisfaction brand to raise awareness within the workforce and support the internal communication of measures designed to boost engagement.
5 Employees

Women
Professional Development

Satisfaction

Occupational Health and Safety

In dialogue

Particularly during the pandemic, the Managing Directors attached great importance to maintaining a dialogue with their employees – at a distance, of course.

Balance through sport

Employees in Chile challenge each other at table tennis during their breaks and after work.

Partying online

Partying and dancing together – but at home. KSB staff simply organised their after-work party online.

Staying connected

Lockdowns meant that KSB employees could no longer meet in person. Online contact became increasingly important.
Our Goal by 2025

The employee satisfaction index is 80%.

Progress at the end of 2020:
The last survey was conducted in 2019.
The result was 56 percent.
As the coronavirus pandemic has clearly shown, the health and safety of our employees is a valuable asset that must be protected. The company’s goal is to protect staff from risks at work and to keep the number of occupational accidents as low as possible.

The focus of accident prevention in everyday work at KSB is in the production areas due to their increased risk. Appropriate training, instruction and other preventive measures are implemented on a regular basis.

To reduce the number of occupational accidents, KSB introduced the global Vision Zero concept from the International Social Security Association (ISSA) in its production departments. This aims to increase involvement of management staff so as to raise awareness of improved occupational health and safety. Managers learn about suitable measures that they can apply individually to their production facilities.

In order to raise employee awareness of occupational health and safety issues while facilitating constructive dialogue on accident prevention, 2020 saw KSB implement measures from a special campaign launched in 2019 as part of the company’s ideas management.
Our Goal by 2025

The number of working days lost due to occupational accidents is reduced to less than 0.3 days per employee per year.

Progress at the end of 2020:
Lost time was 0.27 days per employee per year.
Committed to Compliance

For KSB, lawful conduct is an important and indispensable part of corporate social responsibility.

Our customers and business partners expect KSB to act with integrity. KSB therefore uses a binding compliance management system that is continually being developed. This includes regular communication on the subject from top management.

KSB launched a compliance campaign in China to increase awareness of compliance among the workforce. An event was held at three locations in Shanghai. Its message: zero tolerance for non-compliance!

Jun He, Head of the Region Asia North, was the first of more than 100 employees to sign a declaration of compliance as a clear sign of their commitment to this important issue.

“The compliant conduct of all employees makes an important contribution to KSB’s long-term success.”

Jun He
Head of Region Asia North at KSB
Socially Committed Worldwide

In total 25 social projects
Fresh bread, eggs and bacon – this breakfast is served up twice a week by the Brekkie Van to homeless and disadvantaged residents in Brisbane. KSB employees are regularly there to help out with the project in their spare time. A small gesture that makes the lives of those affected a little better.
Committed to Education

KSB actively supports the education of children and young people in Germany. To ensure that they acquire important key skills at an early stage, the company has been involved in Wissensfabrik - Unternehmen für Deutschland e.V. [Knowledge Factory – Companies for Germany] since 2005. Through projects in schools and kindergartens, the aim is get children and young people interested in science and technology.

Learn more
Preparing for the Labour Market

In Brazil, KSB is helping around 20 young people and individuals with disabilities who lack sufficient education to find their way into the world of work. Over 12 or 24 months, the participants gain theoretical knowledge in the classroom alongside practical experience in the company. The goal is to prepare young people for the labour market so that they can earn their own living. Some of them even have the prospect of a job at KSB.
In January 2021, heavy rains and massive flooding claimed the lives of 24 people in several districts in Indonesia's South Kalimantan province; many others lost their homes. To improve flood control in the region, KSB donated a submersible motor pump to help prevent flooding and reduce the level of risk.
Enabling Integration

KSB supports an organisation in Morocco that helps young people to better integrate into society. The company supports the project both financially and by providing individual coaching from KSB managers to help young people get started in their careers. Covering social, economic and cultural areas, the integration measures are aimed at improving social cohesion.
Our Goal by 2025

We are involved in

25 social projects per year worldwide.

Progress at the end of 2020:

25 projects in 2020
Legal Information/
Copyright

Published by
KSB SE & Co. KGaA
Johann-Klein-Straße 9
67227 Frankenthal, Germany
Tel. +49 6233 86-0

Group information
For the latest KSB news, please visit our
web site: https://www.ksb.com/en-global

Should you need additional information,
please contact
CSR
Rainer Michalik
Tel. +49 6233 86-2656
E-mail: rainer.michalik@ksb.com

Corporate Communications
Marc Sproß
Tel. +49 6233 86-1552
E-mail: marc.spross@ksb.com

Layout
Katharina Götze
Tel. +49 6233 86-2206
E-mail: katharina.goetze@ksb.com

Social media
www.facebook.com/KSB.Company
www.twitter.com/KSBcompany
www.linkedin.com/company/ksb/
www.youtube.com/user/ksbcompany