



ProXES ESG Report 2023

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In collaboration with



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Executive summary



This year marked the fourth annual ESG assessment of ProXES, as part of the Capvis ESG review cycle.

ProXES demonstrates growing commitment to ESG topics and is utilising this awareness to enhance innovation and collaborate with customers. Key highlights in 2023 include calculating the full value chain carbon footprint for the first time, establishing a Sustainability Circle, and the development of a sustainability strategy to focus operations on product design and lifecycle, environmental impact, and integration of sustainability principles.

From an environmental perspective, ProXES shows increased levels of involvement. In 2023, the company started to measure its scope 3 emissions and executive management has agreed to set short term emission reduction targets in 2024. At its Rheinfelden production plant and technology centre in Neuenburg, 100% of purchased electricity is renewable and, having conducted energy audits, possibilities of installing PV systems are being explored. Furthermore, ProXES prioritises durability of its products. This is demonstrated by a 72% increase in retrofits to existing machines since 2022 and services including refurbishment and reintroduction of used machines. Both operational emissions and operational carbon intensity have risen on average since 2020 however, these increases are largely due to expanded data coverage across all sites. With new insight into full value chain emissions ProXES is well placed to set tangible reduction targets.

On social themes, ProXES prioritises the health and safety of its employees through rigorous monitoring and target setting. Furthermore, there has been a significant increase in the number of employees trained as well as a rise in employees benefiting from the profit-sharing scheme. However, several improvement areas have also been identified. A key element will be measuring and progressing on diversity-related initiatives (such as age, gender, disability, etc.). Female representation at senior levels remains at 0% at both Board and Executive Management level and across the workforce gender diversity has decreased since last year. In addition, ProXES has seen negative trends in the number of work-related injuries (mostly due to an increase in minor injuries), LTIF rate, and absenteeism. To enhance its performance on social themes, ProXES should pay particular attention to developing DEI and employee engagement initiatives, as well strengthening its H&S management system.

Looking to the future, ProXES has strong foundations to progress on ESG themes. In doing so, the company can strengthen its position as a reliable partner, empowering customers to generate sustainable long-term value from ProXES products.

Key performance indicators 2023

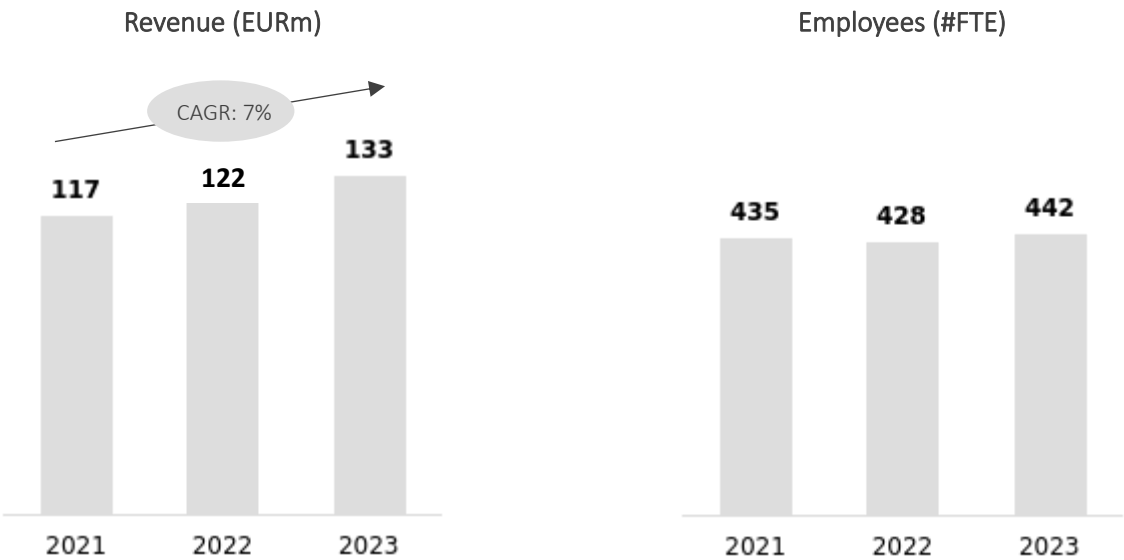
2428.9	35	16.6%	6	3
tCO ₂ e / €m net rev	#	%	#/6	#/3
Carbon intensity	Days lost due to injury	Gender diversity of the workforce	Governance policies in place	SDG projects achieved

Company overview

About ProXES

ProXES is Europe's leading provider of processing and automation solutions for the food end market, personal, health care and pharmaceutical products as well as advanced materials.

Country of HQ	Germany
City of HQ	Hamelin, Germany
Country of operations	Germany
Primary industry	Industrial Machinery
Website	www.proxes.com









Relevance of ESG

- ProXES operates in the industrial machinery industry which faces significant ESG challenges regarding product quality and safety, environmental footprint and employee health & safety. Addressing these issues can lead to notable improvements in both social and environmental performance.
- By implementing robust and transparent quality management processes, companies are better equipped to meet customer expectations, mitigate reputational risks and reduce costs. Adopting circular production methods and sourcing responsible materials further diminishes environmental impact and associated expenses.
- Anticipated regulations, such as CSRD and German Supply Chain Act, require increased engagement with supply chains to ensure supplier quality and adherence to environmental and social standards.
- To reach a future-proof state, players in the industry must leverage emerging ESG-related trends. This includes responding to shifting consumer preferences, as well as automation and software integration to streamline supply chain management.

ESG Theme Performance

Please see below an overview of the selected material ESG themes. For each of the selected material themes, a self-assessment has been conducted on a 5-point performance scale, ranging from 'reactive' to 'future proof' performance. For an overview of the tailored ESG performance descriptions for each selected theme, please see the Theme Performance Overview Section in the Annex. While proprietary to ESG Advantage, the performance levels are aligned with science-based and international standards wherever possible.

Performance of ESG material themes

	Carbon footprint management	Theme Performance Rating ¹	2
Theme progress 2022-23: Exclusively renewable electricity is used at the Rheinfelden production plant and Neuenburg technology centre. Initiatives to reduce emissions are in place e.g. including electric vehicles in the car fleet and assessing on-site renewable energy generation potential.			
	Integration of ESG strategy	Theme Performance Rating	3
Theme progress 2022-23: In 2023, ProXES further integrated ESG into its operations by developing a company-wide sustainability strategy and publishing an internal ESG policy. ProXES also earned EcoVadis Bronze Medal.			
	Employee health and safety	Theme Performance Rating	2
Theme progress 2022-23: The number of employees trained in 2023 more than doubled, however the increase in work-related injuries, LTIF and absenteeism could be improved.			
	Supply chain control	Theme Performance Rating	2
Theme progress 2022-23: ProXES has increased the number of preferred suppliers audited. However, opportunity remains to gain further insight into the impact of its supply chain e.g. by conducting ESG supplier due diligence assessments and ensuring suppliers sign the CoC.			
	Product lifecycle & design	Theme Performance Rating	3
Theme progress 2022-23: ProXES integrates its 'ESG by design' approach (e.g. re-designed Stephan Combitherm) and retrofits to existing machines increased from 29 (2022) to 50 (2023). Yet, there has been a downward trajectory in second-hand machines being refurbished and reintroduced.			
	Product quality & safety	Theme Performance Rating	3
Theme progress 2022-23: A certified management system is in place at ProXES to maintain product quality and safety, but the company saw a 33.1% increase in customer complaints.			
ESG Performance Rating ²			2.5

¹ Theme performance rating is based on Holtara's 5-point maturity scale, please see annex for more details on methodology.

² Overall performance rating is a simple average of the individual theme ratings listed above.

SDG Projects 2023- Progress



Complete



Not started



In progress

This section contains self-defined action plans and initiatives aimed at improving the ESG performance over the coming years. The action plans contain a description of the planned initiative, a progress description, to which ESG theme the initiative is linked, a target date, a responsible person, and a status. Please see below an overview of the ESG initiatives.

Project 1

Initiative: Corporate Carbon Footprint tracking, target setting and carbon reduction strategy development



Aligned SDG target: Target 13.2 to integrate climate change measures into national policies, strategies and planning.

Description: ProXES' goal is to develop a comprehensive carbon footprint assessment including high level scope 3 assessment and evaluate hotspots, so it can best develop a decarbonisation roadmap.

This entails:

- Evaluating potential of SBTi aligned target setting for CO2 reductions of Corporate Carbon Footprint (CCF)
- Evaluating implementation of ISO 14001 environmental management system at all locations
- Performing a high-level scope 3 emission assessment to identify most material emission sources and work towards a comprehensive baseline measurement of the scope 1,2 & 3 footprint

Progress Update: ProXES continues to monitor scope 1 & 2 emissions and has started to monitor scope 3 emissions in accordance with the GHG Protocol. Therefore, the company has implemented a carbon accounting software solution. In 2023, Executive Management agreed to set short term targets, and to have these validated by the SBTi in 2024.

ESG Theme	Target date	Responsible	Status
Carbon footprint management	2023/12/31	M. Setzen and S. Falkenberg	

Project 2

Initiative: Develop ProXES' sustainability strategy, -mgmt. system and -communication



Aligned SDG target: Target 16.6 to develop effective, accountable and transparent institutions at all levels.

Description: Develop a sustainability strategy, management- and communication system to enable short and long-term sustainability and business success.

As part of this ProXES aims to:

- (Further) integrate sustainability into its corporate strategy
- Define long- and short-term sustainability targets
- Complete a dual materiality assessment to identify most material ESG themes and to align with upcoming CSRD requirements
- Establish a sustainability management system with actions, responsibilities and KPIs, embedding sustainability into all departments and locations

- Develop communication on ProXES' ESG performance and agenda, to engage its workforce, customers and wider stakeholders

Progress Update: ProXES has developed a company-wide sustainability strategy based on its three focus areas: product design and lifecycle, environmental impact of operations, and integration of sustainability principles. Targets, KPIs and measures have been defined and are continuously monitored. To embed sustainability into the organisation, ProXES has established a Sustainability Circle with colleagues in strategically relevant positions and C-level support. Communication is ensured through dedicated sustainability landing pages on the intranet and internet, with regular updates on the intranet and social media.

ESG Theme	Target date	Responsible	Status
Integration of ESG strategy	2023/12/31	M. Setzen and S. Falkenberg	✓

Project 3



Initiative: Product Carbon Footprint Calculation

Aligned SDG target: Target 13.2 to integrate climate change measures into national policies, strategies and planning.

Description: The aim of the project is to calculate, analyse and improve the Product Carbon Footprint (PCF) of Stephan Vacutherm according to international standards. This should create transparency about the resulting CO2 emissions, sensitize internal and external stakeholders to the issue of carbon footprint, and make a first sustainable contribution (by initiating a measure) in the value chain, to design machines and systems to meet (future) customer requirements for sustainable food production.

Progress Update: ProXES calculated the PCF for a Stephan Vacutherm with the support of external experts. (The reference flow used by ProXES was the production of ketchup over a machine lifetime of 20 years.) As expected, the majority of carbon emissions come from energy consumption during the machine usage phase, in addition to the materials used for production, mainly steel and electronics. However, emission from necessary cleaning steps and annual maintenance should not be overlooked. These hotspots will be considered in future development and design activities.

ESG Theme	Target date	Responsible	Status
Product life cycle & design	2023/03/31	M. Setzen and S. Falkenberg	✓

SDG Projects 2024

This section contains self-defined action plans and initiatives aimed at improving the ESG performance over the coming years. The action plans contain a description of the planned initiative, a progress description, to which ESG theme the initiative is linked, a target date, a responsible person, and a status. Please see below an overview of the ESG initiatives, and their alignment with relevant SDGs.

Project 1

Initiative: Energy measurement equipment for Technology Centre



Aligned SDG target: Target 12.7 to promote public procurement practices that are sustainable.

Description: The goal of this project is to evaluate the installation of metering equipment to monitor electricity, water and steam consumption during trials at our Technology Centres and potentially equip them with selected systems. By gathering energy consumption data, we can inform customers about machine energy requirements and validate PCF calculations.

This includes:

- Assessment of internal and external requirements
- Technology Evaluation and Selection
- Installation and trials (depending on the results of the points above)

ESG Theme	Target date	Responsible
Product lifecycle & design	2024/12/31	ESG Team

Project 2

Initiative: Carbon reduction plan aligned with SBTi



Aligned SDG target: Target 13.2 to integrate climate change measures into national policies, strategies and planning.

Description: The project aims to develop a comprehensive Carbon Reduciotn Plan for our Scope 1 & 2 emissions in alignment with the Science Based Targets Initiative (SBTi).

The project will include:

- A thorough analysis of current carbon emissions
- Identifications of key reduction opportunities
- The establishment of specific, measurable, achievable, relevant, and time-bound (SMART) targets for reducing carbon emissions

In addition, ProXES will evaluate the feasibility of setting science-based targets for Scope 3 emissions by September 2024.

ESG Theme	Target date	Responsible
Environmental impact of operations	2024/12/31	ESG Team

Project 3



Initiative: Diversity, Equity & Inclusion Initiative

Aligned SDG target: Target 10.2 to empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Description: This project aims to execute a comprehensive Diversity, Equity & Inclusion (DEI) initiative within the organisation.

It will involve:

- Conducting employee engagement survey
- Engaging in dialogue with employees to understand perspectives and needs to develop a robust DEI roadmap
- Creation of a formal DEI policy
- Definition of KPIs, such as gender participation targets
- Offering intercultural training opportunities and e.g. language trainings to promote understanding and inclusivity across the workforce

ESG Theme	Target date	Responsible
Employee well-being	2024/12/31	ESG Team









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Annex 1 – ESG Indicators & Policies

ESG Indicators

This section provides an overview of a number of key ESG indicators, including the Carbon Footprint. Progress on the ESG indicators is displayed over the last three years.

Carbon Indicators ¹	Progress over time	2021	2022	2023
Scope 1 emissions (tCO ₂ e) [*]		532.5	444.0 ²	682.9
Scope 2 emissions (tCO ₂ e) [*] ³		759.6	665.5 ³	794.2
Scope 3 emissions (tCO ₂ e) [*] ⁴		608.0	435.5	322097.7
Scope 1+2 emissions (tCO ₂ e)		1292	1110	1477
Scope 1+2+3 emissions (tCO ₂ e)		1900	1545	323575
Scope 1+2 emissions revenue intensity (tCO ₂ e/EURm Rev)		11.0	9.1	11.1
Scope 1+2+3 emissions revenue intensity (tCO ₂ e/EURm Rev)		-	-	2428.9

Report notes:

* EDCI indicator.

¹Data coverage for historic years (2020-2022) only pertains to key production sites in Germany and Switzerland, whereas 2023 marks a significant increase in coverage to include all sites; as such, year-on-year comparisons of the footprint should be carried out with this context in mind.

²Scope 1 values slightly differ from previously reported ones due to updates in retrospective emission factors.

³Scope 2 values differ from previously reported figures due to recategorisation of green electricity to grey for various sites.





















⁴In 2023, we measured full scope 1+2+3 emissions. However, Scope 3 emissions from 2021 and 2022 are limited to business travel and indirect emissions from purchased natural gas and electricity.

Environmental Indicators	Progress over time	2021	2022	2023
Renewable energy use (%) [*] ¹		9%	9%	7%
Total renewable energy consumption (MWh)		597	468	467
Total energy consumption (MWh)		6325	5136	6487
Energy intensity (MWh /m€ rev)		54	42	49
Total electricity consumption (MWh) ¹		1151	996	1105
Renewable electricity use (%) ¹		51.9%	47.0%	42.3%
Renewable energy produced (MWh)		-	0	0
Non-renewable energy produced (MWh)		-	0	0
Total energy production (MWh)		-	0	0
Emissions to water (Tonnes)		-	-	0
Hazardous or radioactive waste (Tonnes)		-	20	35
Non-hazardous waste generated (Tonnes)		-	253	269
Non-hazardous waste recycled (Tonnes)		-	79	83
Water consumed (Tonnes)		-	-	4738

Report notes:

* EDCI indicator.

¹Data coverage for historic years (2020-2022) only pertains to key production sites in Germany and Switzerland, whereas 2023 marks a significant increase in coverage to include all sites; as such, year-on-year comparisons should be carried out with this context in mind.

Social Indicators	Progress over time	2021	2022	2023
Total number of board members (#)		4	4	4
Number of women on the board (#)		0	0	0
Gender diversity of the board (%) [*]		0%	0%	0%
Total number of employees in executive management (FTE)		5	6	5
Total number of women in executive management (FTE)		1	0	0
Gender diversity of executive mgmt. (%) [*]		20%	0%	0%
Number of middle management members (excl. group executive mgmt.) (FTE)		-	35	29
Number of female middle management members (excl. group executive mgmt.) (FTE)		-	7	7
Gender diversity of the workforce (%)		-	18.9%	16.6%
Percentage women among top 10 highest paid in the company at end of year (%)		-	0%	0%
Male earnings (per hour) ¹		-	45	39
Female earnings (per hour) ¹		-	40	31
Unadjusted gender pay gap (%)		-	1.8%	20.5%
Employee turnover (%) [*]		12.3%	17.3%	16%
Absenteeism rate (%)		5.1%	5.6%	6.6%
Total absenteeism hours (#)		-	42700	53504
Number of employees trained over the reporting period (#) ²		-	200	436
Average training hours per FTE during the last 12 months (#)		-	3	3
New hires excluding those from M&A (FTE)		-	77	85
Female hires excluding those from M&A (FTE)		-	28	12





















Leavers due to M&A (FTE)		-	0	0
Leavers excluding those from M&A (FTE)		-	74	69
Total net new hires (#FTE) [*]		-	-7	14
Organic net new hires (#FTE) [*]		-	-7	14
Employees benefitting from the profit sharing scheme (FTE)		-	113	337
Number of permanent employees covered by public/private health insurance (#) ²		-	316	470
Number of permanent employees covered by public/private death or disability insurance (#) ²		-	304	470
Work-related injuries (#) [*]		-	25	34
Days lost due to injury (#) [*]		-	266	35
Number of work-related injuries (>1 day leave)(#)		-	5	7
Work-related fatalities (#) [*]		-	0	0
Accident rate (LTIF)		-	29.2	38.5
Sexual harassment or discrimination issues (#)		-	0	1
Non-permanent employees (FTE)		-	0	10
Total hours worked (labour hours) (#)		-	755925	805934
Average hours worked per FTE/year (#)		-	1776	1868

Report notes:

* EDCI indicator.

¹Data for average earnings in 2022 is based on average total annual compensation rather than hourly rate.

²Figure shown as headcount, not FTE.

Custom Indicators ¹	SDG	Progress over time	2021	2022	2023
Second-hand machines refurbished and reintroduced (SDG 12.2.) (#)			12	12	3
Retrofits to existing machines (SDG 12.2.) (#)			50	29	50
% order intake from plant-based products (for New Machine Sales) (%)			8%	6%	15%
Complaints (#)			232	169	225
Preferred suppliers audited (#) ²			0	15	26
Volume of materials recycled (SDG 12.5.) (tonnes)			64	79	83
Proportion materials recycled (SDG 12.5.) (%)			20%	31%	27%
LTIF rate (SDG 8.8.) (#)			-	6.6	8.7
Absenteeism (SDG 8.8.) (%)			5.1%	5.6%	6.6%
Reduction in Scope 1 and 2 CO2 emissions (SDG 13.2.) (% (base year 2021)) ³			-	-16%	-
Electricity intensity (SDG 13.2.) (MWh/€M net revenue)			-	8.1	8.25
Renewable energy consumption (SDG 13.2.) (%)			9%	9%	7%

Report notes:

¹The UN Sustainable Development Goals (SDG) targets in brackets indicate the KPIs which have been developed to better measure our progress in supporting certain SDGs. Please refer to the UN SDG targets on <https://sdgs.un.org/goals> for a full description.

²ProXES defines 'preferred suppliers' as A-suppliers based on turnover (approx. 80 suppliers of more than 800 active suppliers).

³ProXES has not provided data for 2023 as comparison would be misleading due to all sites being considered in 2023 and only some in 2022.

ESG Policies

This section highlights which ESG-related policies are in place.

ESG Policies	
Anti-bribery and anti-corruption policy [*]	Yes
Biodiversity policy	No
Data security and privacy policy [*]	Yes
Diversity, equity and inclusion policy	No
Employee Code of Conduct [*]	Yes
Environmental policy	No
ESG / sustainability policy [*]	Yes
Gifts and hospitality policy [*]	Yes
Health and safety policy	No
Human rights policy	Yes
Purchasing policy	No
Supplier Code of Conduct	Yes
Whistleblowing policy [*]	Yes
Cybersecurity policy	No
Energy consumption policy	No
Climate / carbon policy	No
Waste management policy	No
Workplace accident prevention policy	No
Modern Slavery statement	Yes

Employee survey conducted in the reporting year

No

Employee survey conducted at least bi-annually

No

Report notes:

* Policy required by Capvis – total of 6/6 policies in place.

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Annex 2 – ESG Performance Ratings



Theme Performance Overview

Please see below an overview of the tailored ESG performance descriptions for each selected material ESG theme.

Please note that information within the maturity scale is used as an indicative guide for ESG performance. Companies are required to select the performance level that best matches their current performance with the view that the majority of requirements must be met to fall within that level.

Carbon footprint management – Performance Overview¹

Rationale: Companies that focus on reducing carbon emissions can reduce their exposure to fluctuating energy prices and lower costs spent on energy and business travel. Additionally, a sustainable proposition can help to attract talent, provide an edge in tenders, and boost the firm's image.

2022-23 progress:

- ProXES uses exclusively renewable electricity in its Rheinfelden production plant and technology centre in Neuenburg. Since previous years, ProXES has also significantly improved data coverage to cover all sites rather than German and Switzerland only.
- Energy audits are conducted, and on-site renewable energy generation potential has been assessed including the possibility of installing PV systems.
- ProXES started utilising electric vehicles in its car fleet in 2023 and has a Travel Policy in place encouraging employees to minimise travel and utilise public transport. However, the company has limited insight into emissions resulting from business travel and commuting.

2023 Assessment				
1. Reactive	2. Involved	3. Committed	4. Integrated	5. Future proof
Reactive ESG management driven by regulations.	Ambition to improve ESG has been formulated, baseline identified and initial progress made.	Strategy for improved ESG risk and opportunity management has led to strong performance.	Company-wide integration of ESG has brought a future-proof business within reach.	Business proposition and management is fully aligned with a future-proof society.
<ul style="list-style-type: none"> • Management aims to adhere to (local) energy regulations (i.e. EED (EU), ESOS (UK), Wet Milieubeheer (NL)) • No insight into employee commuting & business travel 	<ul style="list-style-type: none"> • Basic monitoring of energy and carbon emissions and targets set for net-zero before 2030 (Scope 1 + 2) • Energy audit conducted and quick-wins addressed (e.g. procurement of green electricity) • >70% of the electricity is sourced from renewable sources (not necessarily local) • Ad-hoc initiatives to improve business travel sustainability 	<ul style="list-style-type: none"> • Comprehensive monitoring of Scope 1 + 2 emission sources according to recognised accounting standards (e.g. CO2 Prestatieladder, GHG Protocol) • Scope 1, 2 and 3 emission target for net-zero before 2045 set and officially committed to Science-Based Target Initiative (SBTi) • >90% of electricity is derived from local renewable sources • Onsite renewable energy generation potential assessed (e.g. rooftop potential assessed for solar panels) • Monitoring emissions resulting from business travel and employee commuting • Encouraging video conferencing, including monitoring of avoided emissions due to avoided flights 	<ul style="list-style-type: none"> • Science-Based Targets set in line with the 1.5°C climate scenario (X ≥ 4.2% annual linear reduction) • Science-Based Targets set in line with well-below 2°C climate scenario (X ≥ 2.5% annual linear reduction) on business travel emissions • Onsite renewable energy generation deployed, if possible (e.g. full rooftop potential realised for solar panels) • All distances reachable within 6 hours by train are travelled by train 	<ul style="list-style-type: none"> • Net-zero emissions achieved for Scope 1 and 2 • Year-on-year progress realised on Scope 3 emissions of at least 2.5% linear annual reduction rate (in line with SBTi) • Total energy consumption reduced to absolute minimum • Net-zero carbon footprint achieved (business travel reduced to absolute minimum) • Employees only commute by bike, public transport or electric vehicles

¹ This theme was assessed for the first time in 2023.

Employee health and safety – Performance Overview

Rationale: Providing adequate safety training and ensuring the health and well-being of employees is key to ensuring safety. Such provisions help firms avoid reputational damage and lower revenue losses.

2022-23 progress:

- ProXES does not have a H&S management system in place nor a H&S policy. H&S audits are also not carried out.
- Since 2022, ProXES has seen a 36% increase in work-related injuries. Overall absenteeism has also risen from 5.6% to 6.6%.
- H&S is managed via continuous monitoring, risk assessments and workplace-specific health and safety trainings. The number of employees trained in 2023 more than doubled (from 200 to 436).
- ProXES initiated an employee engagement survey in February 2024.

		2020 Assessment			2023 Assessment
1. Reactive	2. Involved	3. Committed	4. Integrated	5. Future proof	
Reactive ESG management driven by regulations.	Ambition to improve ESG has been formulated, baseline identified and initial progress made.	Strategy for improved ESG risk and opportunity management has led to strong performance.	Company-wide integration of ESG has brought a future-proof business within reach.	Business proposition and management is fully aligned with a future-proof society.	
<ul style="list-style-type: none"> • Risk audit conducted (e.g. NL-RI&E) • Management aims to adhere to (local) H&S regulation • Basic monitoring of absenteeism and accidents 	<ul style="list-style-type: none"> • Risk and safety audit conducted (e.g. VCA), H&S guidelines available • Ad hoc follow-up of identified risks • Monitoring of absenteeism, accidents, fatalities 	<ul style="list-style-type: none"> • H&S management system (e.g. ISO 45001) and H&S policy in place • Sound follow-up structure through monthly board reporting on H&S performance and subsequent mitigating efforts against work-related diseases <ul style="list-style-type: none"> • LTIF and absenteeism below industry average, or else an action plan is in place, including KPIs and targets • Comprehensive reporting standards, including near-misses, LTIF-rates, short/mid/long-term absenteeism 	<ul style="list-style-type: none"> • Embedded safety culture, with strong H&S management systems (e.g. ISO 45001) and policies in place • Continuous follow-up on identified risks through multiple reporting avenues, with proof of mitigation/improvements against work-related illnesses <ul style="list-style-type: none"> • All accidents are monitored, and consistently ranked below industry benchmarks for >3 consecutive years 	<ul style="list-style-type: none"> • Best-in-class H&S management system and practices in place. H&S certifications available, such as ISO 45001, and QHSE manager takes overall responsibility for topic • YoY reduction of risks identified in audits due to successful improvement plans • Accidents are continuously monitored in all categories, and results are significantly below industry benchmarks for >3 years. Absenteeism and turnover rates are significantly below industry benchmark for >3 years. 	

Integration of ESG strategy – Performance Overview

Rationale: Integrating ESG throughout the organisation can bring about several benefits, e.g. revenue growth, new market opportunities, and reduced reputational and regulatory risks.

2022-23 progress:

- ProXES is committed to incorporating sustainability into its corporate strategy, and ESG performance is regularly monitored. In 2023, a company-wide sustainability strategy was developed to focus on product design & lifecycle, operational environmental impact, and sustainability integration.
- Various product offerings are aimed at sustainable end-markets, and/or facilitating greater resource (water, material) efficiency for ProXES' customers. In 2023, 15% of order-intake for new machine sales was from plant-based products, which is an increase from 6% in 2022.
- To embed ESG into operations, a Sustainability Circle has been established, made up of strategically positioned employees and C-level support.
- An ESG policy was published in 2023 for internal stakeholders to formalise the company's approach, whilst a dedicated webpage is accessible to the public.

		2020 Assessment		2023 Assessment
1. Reactive	2. Involved	3. Committed	4. Integrated	5. Future proof
Reactive ESG management driven by regulations.	Ambition to improve ESG has been formulated, baseline identified and initial progress mode.	Strategy for improved ESG risk and opportunity management has led to strong performance.	Company-wide integration of ESG has brought a future-proof business within reach.	Business proposition and management is fully aligned with a future-proof society.
<ul style="list-style-type: none"> • No ESG statement on the website and no other (external) visibility with regards to ESG • ESG criteria are not included in the remuneration policy and/or incentives are not linked to sustainability performance • ESG is discussed on an ad hoc basis on the board agenda (mostly from a risk or cost efficiency perspective) • No (internal or publicly disclosed) ESG policy or strategy (including materiality assessment, KPIs and targets) in place 	<ul style="list-style-type: none"> • Limited ESG statement on the company website • Limited ESG incentive schemes in place (<5% of management bonus) • Limited C level ESG accountability and responsibilities are in place • Limited ESG-related memberships, industry standards and/or certifications in place • Limited (internal or publicly disclosed) ESG policy, and/or ESG 	<ul style="list-style-type: none"> • ESG (internal or publicly disclosed) policy in place • Incentives for ESG performance are in place (between 5% and 15% of management bonus) • ESG is formally discussed at the board level on a regular basis, also including more strategic value creation topics (instead of solely ESG risk mitigation) • ESG- related memberships, industry standards and/or certifications are in place • ESG (internal or publicly disclosed) strategy in place 	<ul style="list-style-type: none"> • ESG policy and strategy (including materiality assessment, KPIs, and targets) are updated annually and communicated to stakeholders (e.g. through public disclosure) • Dedicated manager in place that oversees the ESG integration performance of the company • Incentives for ESG performance are pioneering the sector (>15% of management bonus) • ESG is formally discussed at the board level on a regular basis, also including more strategic value creation topics (instead of solely ESG risk mitigation) and tangible ESG board oversight progress is demonstrated (YoY) • On track to reach ESG (KPI) targets 	<ul style="list-style-type: none"> • The company's ESG measures and strategy (including materiality assessment, KPIs, and targets) are amongst the top of the industry and peers, as well as demonstrating (best-practice) results • Dedicated business unit in place that oversees and executes the ESG integration plan of the company • Incentives for sustainability performance are pioneering the sector (>15% of management bonus) • ESG board oversight acts as a role model for the sector and/or other organisations (e.g. board is strongly involved in the company's ESG processes) • Initiator/frontrunner of ESG strategy

strategy (including materiality assessment, KPIs and targets) in place

(including materiality assessment, KPIs, and targets, such as ensuring minimalised product disposal effects or mitigated ESG risks)

initiatives and pushing ESG standards in the industry

- YoY progress on ESG strategy integration is demonstrated

Product life cycle & design – Performance Overview¹

Rationale: Firms can improve lifecycle impacts and save costs with innovations on recyclability and longevity, including end-of-life product recovery and durable material use.

2022-23 progress:

- ProXES continues to operate its 'ESG by Design' concept to integrate ESG aspects into the design and development process of products.
- Machine lifetime is often greater than 20 years, depending on the industry and piece of equipment. ProXES aims to increase machine lifetime via retrofits, upgrades and regular maintenance as well as refurbishment and reintroduction of used machines (e.g. from FrymaKoruma).
- In 2023, retrofits to existing machines increased by 72%, however ProXES saw a decrease in second-hand machines refurbished and reintroduced from 12 in 2022 to 3 in 2023.

2023 Assessment				
1. Reactive	2. Involved	3. Committed	4. Integrated	5. Future proof
Reactive ESG management driven by regulations.	Ambition to improve ESG has been formulated, baseline identified and initial progress mode.	Strategy for improved ESG risk and opportunity management has led to strong performance.	Company-wide integration of ESG has brought a future-proof business within reach.	Business proposition and management is fully aligned with a future-proof society.
<ul style="list-style-type: none"> • Management aims to adhere to relevant laws & regulations (e.g. product warranty) • -No product design initiatives to ensure products, components or raw materials stay in use as long as possible • No business model initiatives to contribute to a more circular economy 	<ul style="list-style-type: none"> • Extended product warranty • Design choices made to ensure products, components or raw materials stay in use as long as possible (e.g. through modular design, increasing repairability) • Some business initiatives implemented to contribute to a more circular economy (e.g. through product as a service, buyback programs) 	<ul style="list-style-type: none"> • Impact Assessment (e.g., LCA) conducted for key products, covering over 25% of revenues • Action plan in place to keep products (and materials) in circulation as long as possible, incl. KPIs, targets and design criteria (e.g. repairability, modularity) • Action plan in place to align the business model with a circular economy, including KPIs and targets (e.g. related to product as a service, buyback programs) 	<ul style="list-style-type: none"> • LCA conducted for products covering over 50% of revenue streams • Tangible progress made to steer towards circulating products (and materials) at their highest value, which is supported by progress on KPIs or by an LCA • Significant increase in revenue from more circular products or through a more circular business model (e.g. increase in revenue from rental options, product as a service, as stipulated in action plan) 	<ul style="list-style-type: none"> • Pushing circularity standards in the industry, e.g. by taking back large volumes of products at end-of-life, and collaboration throughout the value chain • Product strategy aligned to become part of a circular economy, e.g. by obtaining relevant certifications (such as Cradle to Cradle or any other certifications relevant in the industry) • Circular business model/product is a key revenue driver of the business

¹ Rating criteria was updated in 2023 and therefore 2020 rating is not comparable.

Product quality & safety – Performance Overview

Rationale: Ensuring safety and responding appropriately when unintended features are identified can protect companies from regulatory action, customer lawsuits, market withdrawals, and many other hurdles that can result in high costs and reputational damage.

2022-23 progress:

- To ensure product quality and safety, ProXES operates an internal management system (e.g. inspection of incoming goods and acceptance tests for each machine), internal audits based on ISO 9001 and follows various industry standards and directives.¹
- ProXES monitors and addresses customer complaints by categorising them based on root causes and implementing counter measures. In 2023, the company saw an increase in customer complaints from 169 to 225. ProXES suggests that 223 were related to product quality and 2 related to safety.

		2020 Assessment			2023 Assessment
1. Reactive	2. Involved	3. Committed	4. Integrated	5. Future proof	
Reactive ESG management driven by regulations.	Ambition to improve ESG has been formulated, baseline identified and initial progress mode.	Strategy for improved ESG risk and opportunity management has led to strong performance.	Company-wide integration of ESG has brought a future-proof business within reach.	Business proposition and management is fully aligned with a future-proof society.	
<ul style="list-style-type: none"> Management aims to adhere to country regulation (e.g. GPSD, CPSC) 	<ul style="list-style-type: none"> Quality management system in place (e.g. ISO 9001, NEN-EN15224) 	<ul style="list-style-type: none"> Action plan regarding quality & safety, including KPIs and targets (e.g. product recall, increasing customer satisfaction and retention, zero defects, customer complaints) Procedures in place to safeguard product quality & safety (e.g. safety trainings, safety manuals, quality manual) Complaints are analysed and a follow-up procedure is established (e.g. Root Cause Analysis) Quality assurance staff in place. Staff performs market-conform quality checks No product safety recalls in the past 3 years 	<ul style="list-style-type: none"> Extensive procedures in place to safeguard product quality & safety (e.g. quality and safety checks by third parties) Quality control issues throughout the supply chain are monitored, enabling continuous improvement in product design/procurement No customer welfare incidents or product safety recalls in the past 3 years 	<ul style="list-style-type: none"> Product quality & safety commitments that go beyond legal obligations (e.g. GFSL, TPS) Constant feedback loop between complaint handling team, product development and/or manufacturing team, and other relevant business units Quality & safety management includes disciplinary and preventive action plans (e.g. CAPA system) YoY improvement of consumer satisfaction score 	
<ul style="list-style-type: none"> Relevant certifications in place, tracked in compliance register (e.g. CE marking, BIFMA) 	<ul style="list-style-type: none"> Product safety standard in place (e.g. ISO 10377, ISO10393) 				
<ul style="list-style-type: none"> Annual review of compliance register 	<ul style="list-style-type: none"> Quality control staff in place 				
<ul style="list-style-type: none"> No insight in customer satisfaction 	<ul style="list-style-type: none"> Customer complaint management system in place Recall and tracking procedure in place Customer satisfaction and retention rate monitored 				

¹ Standards include GAMP 5 (Good Automated Manufacturing Practice) and regulations include EN2006/42- EN 2014/34 and EN 2014/68.

Supply chain control – Performance Overview¹

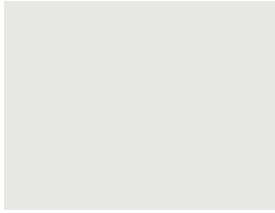
Rationale: Reputational damage may arise if a company's suppliers perform poorly on environmental/social issues. Firms can mitigate these risks and capture market opportunities by actively engaging with suppliers on ESG practices.

2022-23 progress:

- ProXES operates a Code of Conduct which covers key ESG topics including ethical working conditions, health and safety, and discrimination.
- Since 2021, the company has significantly increased the number of preferred suppliers audited from 0 to 26 (out of approx. 80 suppliers).
- The company recognises that despite having a written policy in place for suppliers, it has limited visibility into the responsible behaviour and environmental impact of its suppliers.

2023 Assessment				
1. Reactive	2. Involved	3. Committed	4. Integrated	5. Future proof
Reactive ESG management driven by regulations.	Ambition to improve ESG has been formulated, baseline identified and initial progress mode.	Strategy for improved ESG risk and opportunity management has led to strong performance.	Company-wide integration of ESG has brought a future-proof business within reach.	Business proposition and management is fully aligned with a future-proof society.
<ul style="list-style-type: none"> • Management aims to adhere to minimum regulatory and international standards (e.g. ILO & UN Global Compact principles including reference to the respect of human rights stated in supplier contracts) • Little to no insight into the impact and responsible conduct of suppliers 	<ul style="list-style-type: none"> • ESG supplier due diligence assessments of first tier suppliers (including tracking of indicators such as fair labour conditions, modern slavery, waste management, and hazardous materials). • Material risks and mitigation opportunities (i.e. policy, GRI auditing and certification schemes) identified throughout the supply chain, including first-tier suppliers, services, and input materials • Supplier code of conduct signed by >90% of first-tier suppliers 	<ul style="list-style-type: none"> • Strategy in place (including KPIs and targets) to eliminate risk exposure through supplier risk assessment, standards and audits (e.g. SA8000, SMETA 4P, Amfori BSCI, GRI 414, Sedex) as well as responsible product certification schemes • Based on due diligence findings, site-visit audits are conducted, and first-tier suppliers are assisted when implementing corrective actions • Engagement with first-tier suppliers to identify risks from indirect suppliers 	<ul style="list-style-type: none"> • Strategy and policy fully embedded in operations • First-tier suppliers and products meet the highest audit scores and responsible conduct (e.g. sourcing certified products or suppliers, obtaining certifications and labels) • Actively propagating responsible value proposition • Pro-active chain engagement to raise the bar of responsible conduct (e.g. through training and/or resources, collaborative initiatives with other players in the supply 	<ul style="list-style-type: none"> • Supply chain risks fully mitigated and active contribution to sustainable development • Collaborative efforts and partnerships in place to support stakeholders in the supply chain, both to improve sustainability performance and to raise the bar in the wider industry • Company proactively takes up innovative and far-reaching initiatives to tackle supply chain issues and improve the industry standard (i.e. on packaging, living wage, sustainable transport) • Full supply chain transparency with the ability to trace products from source to consumer (i.e. farm-to-fork strategy)

¹ Rating criteria was updated in 2023 and therefore 2020 rating is not comparable.



chain to improve social
or environmental
impact)

- Maximised efforts
directed towards
establishing full
transparency from
source to gate



ProXES ESG Report 2023

Annex 3 – Detailed carbon footprint assessment



capvis  Holtara

ProXES

Carbon report 2023

March 2024

ProXES


About this report

Company profile




ProXES is a leading provider of high-end batch processing and automation solutions tailored for the food sector, health and personal care products, and pharmaceutical applications. ProXES has production facilities in both Hamelin and Rheinfelden, a technology center in Neuenburg, and extends its global presence through sales offices in Belgium, the Netherlands, France, Poland, the UK, the US, China, and Singapore.

Temporal limits




2020 - 2023

Standard




GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard

Study approach



Operational Control Approach¹
With the aim of covering 100% of the activities carried out

Exclusions from study

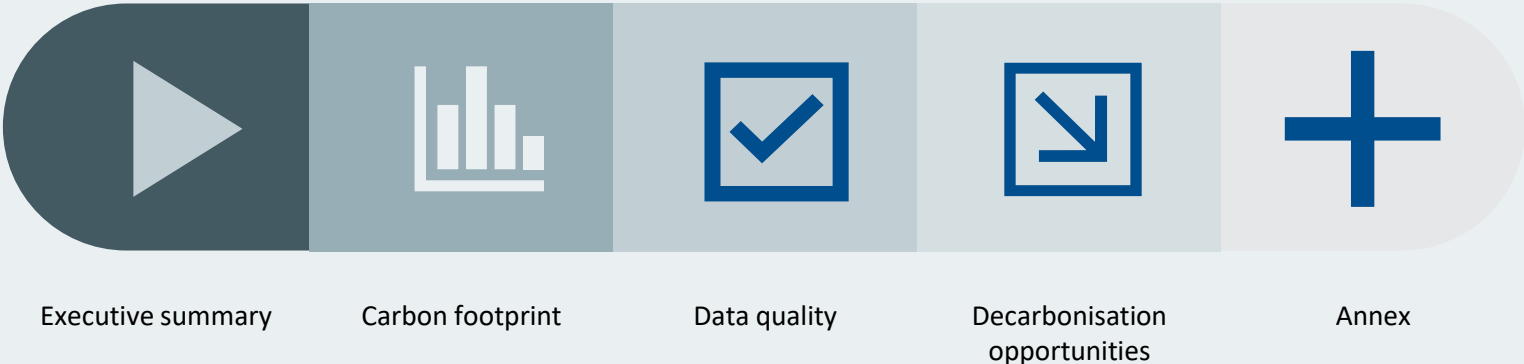


Emission sources exclusion criteria are based on:

- 1. Low materiality (negligible effect on footprint)
- 2. Low data quality, integrity or accessibility of information

Details can be found on the Materiality page

This document presents the greenhouse gas footprint assessment of ProXES conducted in Q1 2024, based on desk research, data provided by the company, its suppliers, and customers, as well as several discussions between company management and Holtara.



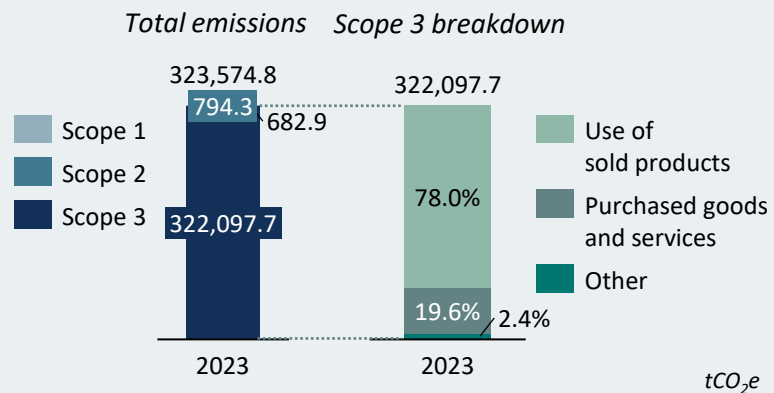
Executive summary

ProXES has undertaken a comprehensive carbon footprint assessment, which informs various decarbonisation opportunities

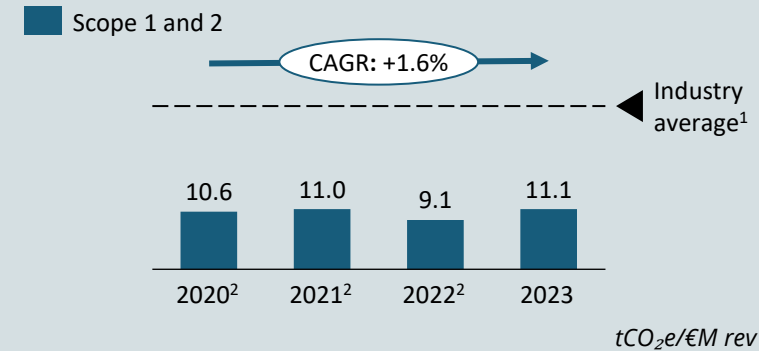
Key takeaways

- ProXES has completed a detailed carbon assessment and plans to set short-term emissions reduction targets in 2024.
- Both absolute operational emissions and operational carbon intensity have increased on average since 2020, indicating a need to continue improving energy efficiency.²
- Value chain emissions make up the vast majority of ProXES' total footprint, particularly the use phase of products.
- Data is representative of all locations and products, with some uncertainty due to lower-quality value chain data.

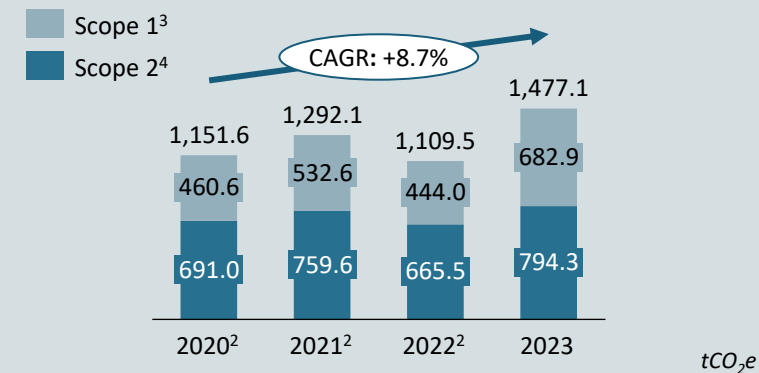
ProXES measured full value chain emissions for the first time in 2023, covering scope 1-3 emissions



Operational (scope 1 and 2) carbon revenue intensity increased on average by 1.6% since 2020



Operational (scope 1 and 2) carbon emissions increased on average by 8.7% since 2020



ProXES achieved high levels of data coverage, with room for improvement on data quality

Data is representative of all ProXES locations and products, however, some data has a lower accuracy, especially for scope 3 sources. ProXES can focus on collecting more activity-based data for the highest emissions scope 3 categories and for the energy consumption at all locations.

Metric	Scope 1	Scope 2	Scope 3
Quality	72.2%	65.4%	29.7%
Coverage	99.9%	95.5% ⁵	97.3%

High-level carbon reduction opportunities have been identified for ProXES

#	Action
A	Design more energy efficient machines to reduce use-phase emissions of products
B	Sustainable procurement of low-carbon input materials, sourced locally
C	Optimise logistics and choose lower-carbon options for international and domestic supplies
D	Improve operational energy efficiency and procure renewable energy

More details can be found in the carbon footprint section of this report. ¹For the Industrial Machinery industry. ²Data coverage for historic years (2020–2022) only pertains to key production sites in Germany and Switzerland, whereas 2023 marks a significant increase in coverage to include all sites; as such, year-on-year comparisons of emissions should be carried out with this context in mind. ³Scope 1 values slightly differ from previously reported ones due to updates in retrospective emission factors. ⁴Scope 2 values differ from previously reported figures due to recategorisation of green electricity to grey for various sites. ⁵Data coverage for scope 2 is reduced due to the presence of estimations, which introduces uncertainty into the coverage of the assessment. Source: Company data, Holtara analysis

Carbon footprint



ProXES’ scope 1 and 2 carbon footprint has increased since 2020, while value chain scope 3 emissions are reported for the first time

Total carbon footprint & intensity

323574.8

tCO₂e

2428.9

tCO₂e/mEUR

ProXES’ 2023 total carbon footprint is 323574.8 tCO₂e. Operational (scope 1 and 2) emissions account for 0.5% of the total footprint and have increased by 8.7% on average since 2020, and saw a significant rise of 33.1% in the last year.¹

Meanwhile, value chain emissions contribute the most (99.5%) to the overall footprint, with the greatest share arising from the use of sold products and purchases.

Data quality

MEDIUM

Indicative data quality

321

Data points captured in 2023

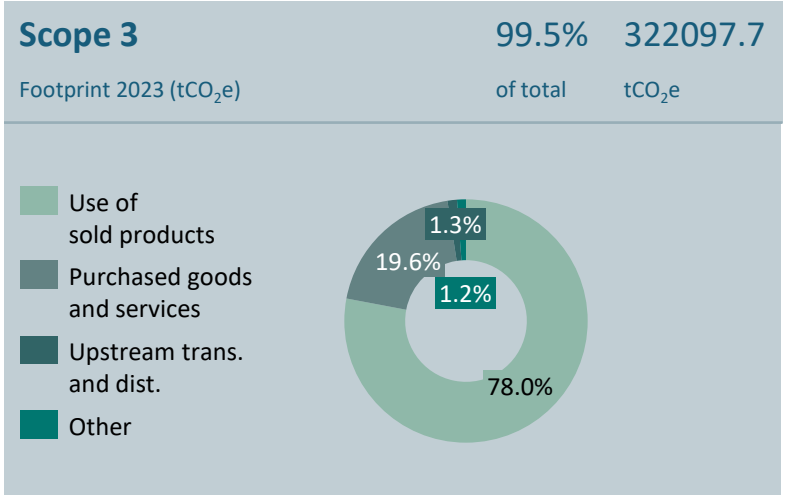
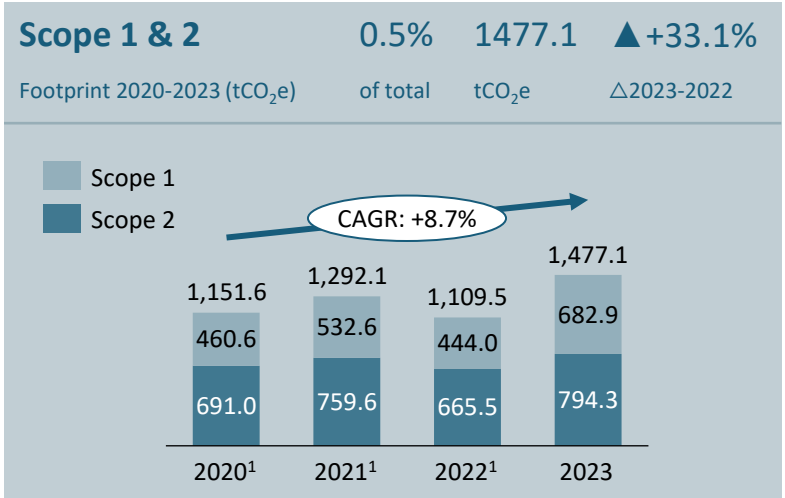
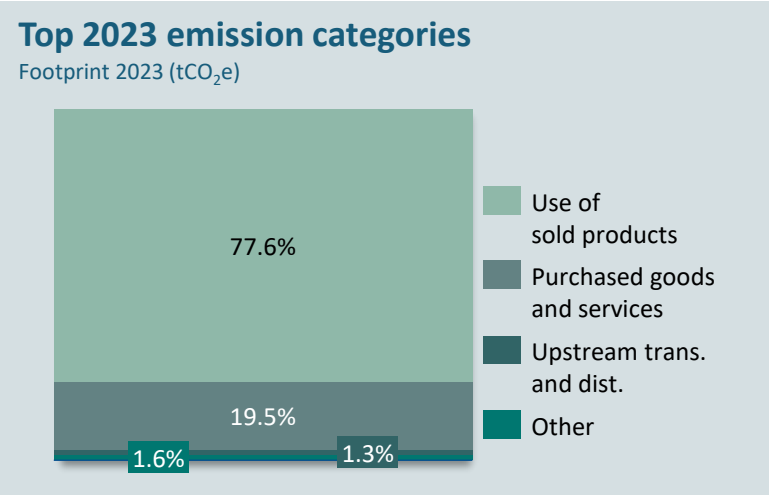
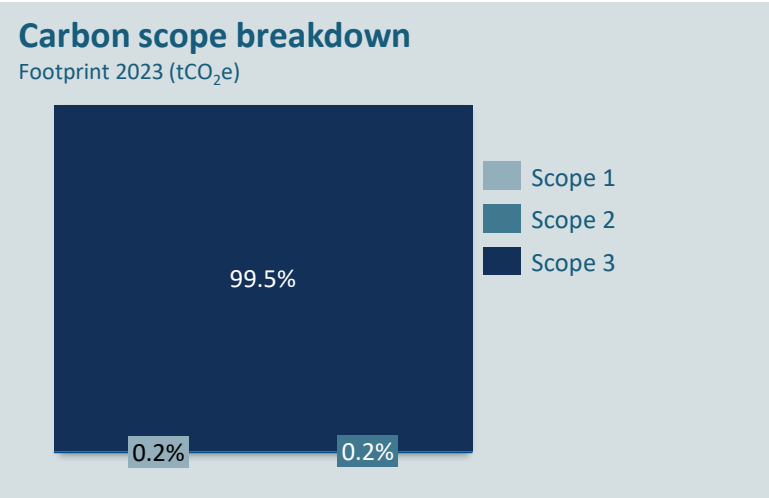
ProXES’ 2023 hypothetical carbon costs

€32.4 M

Company carbon cost based on €100/tCO₂e² carbon price

24.3%

Carbon cost vs revenue²



¹Data coverage for historic years (2020 – 2022) only pertains to key production sites in Germany and Switzerland, whereas 2023 marks a significant increase in coverage to include all sites; as such, year-on-year comparisons of the footprint should be carried out with this context in mind. Scope 1 values differ slightly from previously reported figures due to updates in retrospective emission factors, and Scope 2 values differ due to a recategorisation of electricity from green to grey for various sites. ²Figures are indicative; this figure gives an insight into annual costs if an internal or external carbon price would be set to €100,-/tCO₂e. Source: Company data, Holtara analysis

ProXES’ operational carbon footprint has risen alongside the expansion of data coverage across company sites, with scope 1 and 2 sources contributing roughly equally to the generated emissions

Market-based emissions¹

0.5%	1477.1	▲ +33.1%
Scope 1 & 2 share of total footprint in 2023	Total scope 1&2 footprint 2023, tCO ₂ e	Scope 1&2 Δ2023-2022

Location-based emissions¹

0.4%	1310.5	▲ +31.0%
Scope 1 & 2 share of total footprint in 2023	Total scope 1&2 footprint 2023, tCO ₂ e	Scope 1&2 Δ2023-2022

Performance

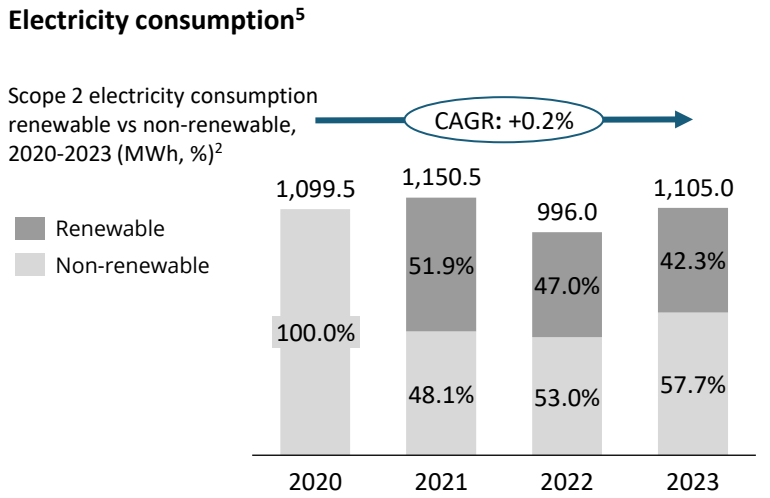
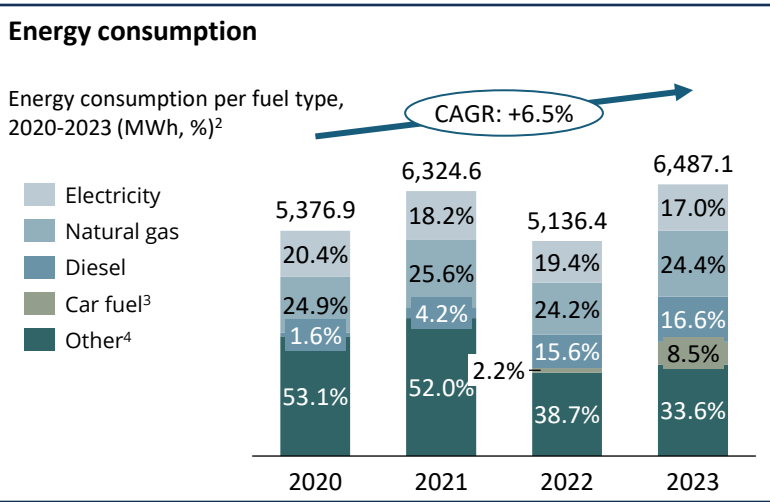
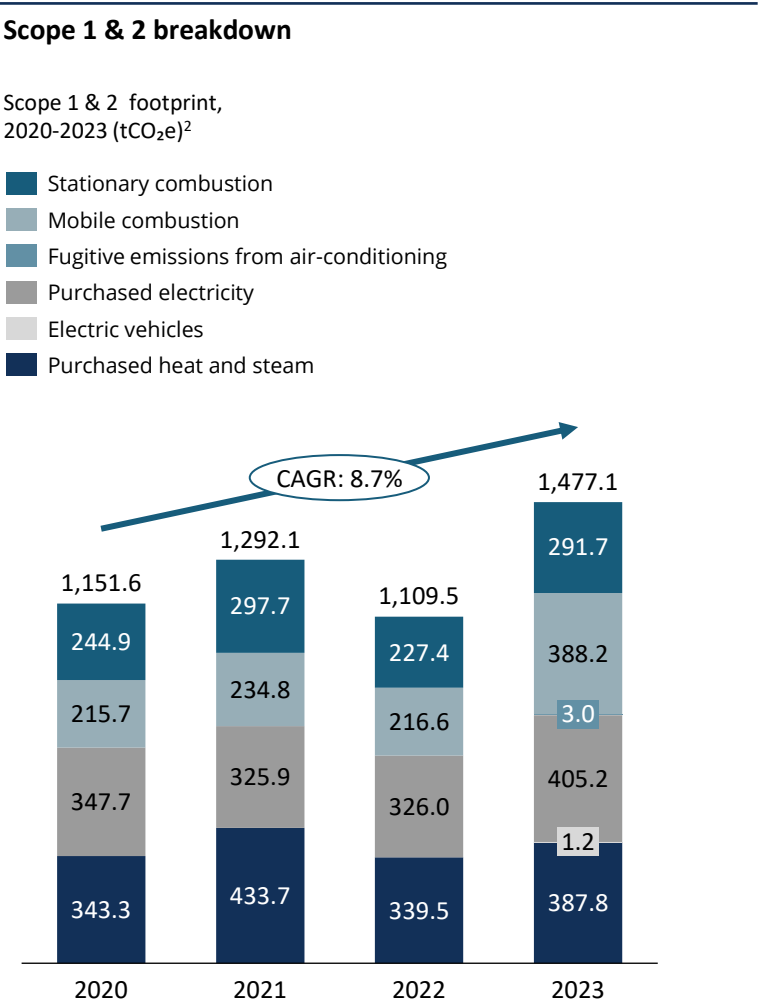
ProXES’ operational emissions are driven by a range of sources, from natural gas consumption and electricity in buildings to diesel and other car fuels for the car fleet, as well as district heating fuel. Emissions contributions from these sources are relatively equally distributed. Overall energy use has increased on average by 6.5% since 2020, largely due to an increase in data coverage across all sites.

Main actions

ProXES started utilising electric vehicles in its car fleet in 2023.

Data quality

Data quality is high (>66.6%) as emissions calculations are based on activity data. Select locations rely on estimates, while some mobile combustion data is spend-based.



¹The market-based approach reflects emissions for the type of electricity procured, whereas the location-based reflects the emissions from the local grid. ²Please note that due to an increase in data coverage, historic figures restrict direct comparison to 2023 values. Scope 1 values differ slightly from previously reported figures due to updates in retrospective emission factors, and Scope 2 values differ due to a recategorisation of electricity from green to grey for various sites. ³The car fuel type is unknown. ⁴Relates to purchased heat and steam, where fuel type is unknown. ⁵Refers to renewable electricity that is directly procured by ProXES; however, ProXES’ German locations consume more renewable electricity than present in the residual mix. Source: Company data, Holtara analysis

Value chain scope 3 emissions represent the majority of ProXES’ carbon footprint

99.5%

Scope 3 share of total footprint in 2023

322097.7

Total scope 3 footprint 2023, tCO₂e

Performance

ProXES’ value chain emissions amount to 322097.7 tCO₂e, and represent the vast majority of the total footprint.

The value chain footprint is dominated by the use of sold products and purchased goods and services, representing a total of 97.6% between them. The remaining emissions categories of upstream transportation, business travel, capital goods, and employee commuting each constitute a smaller fraction of the overall value chain footprint.

Main actions

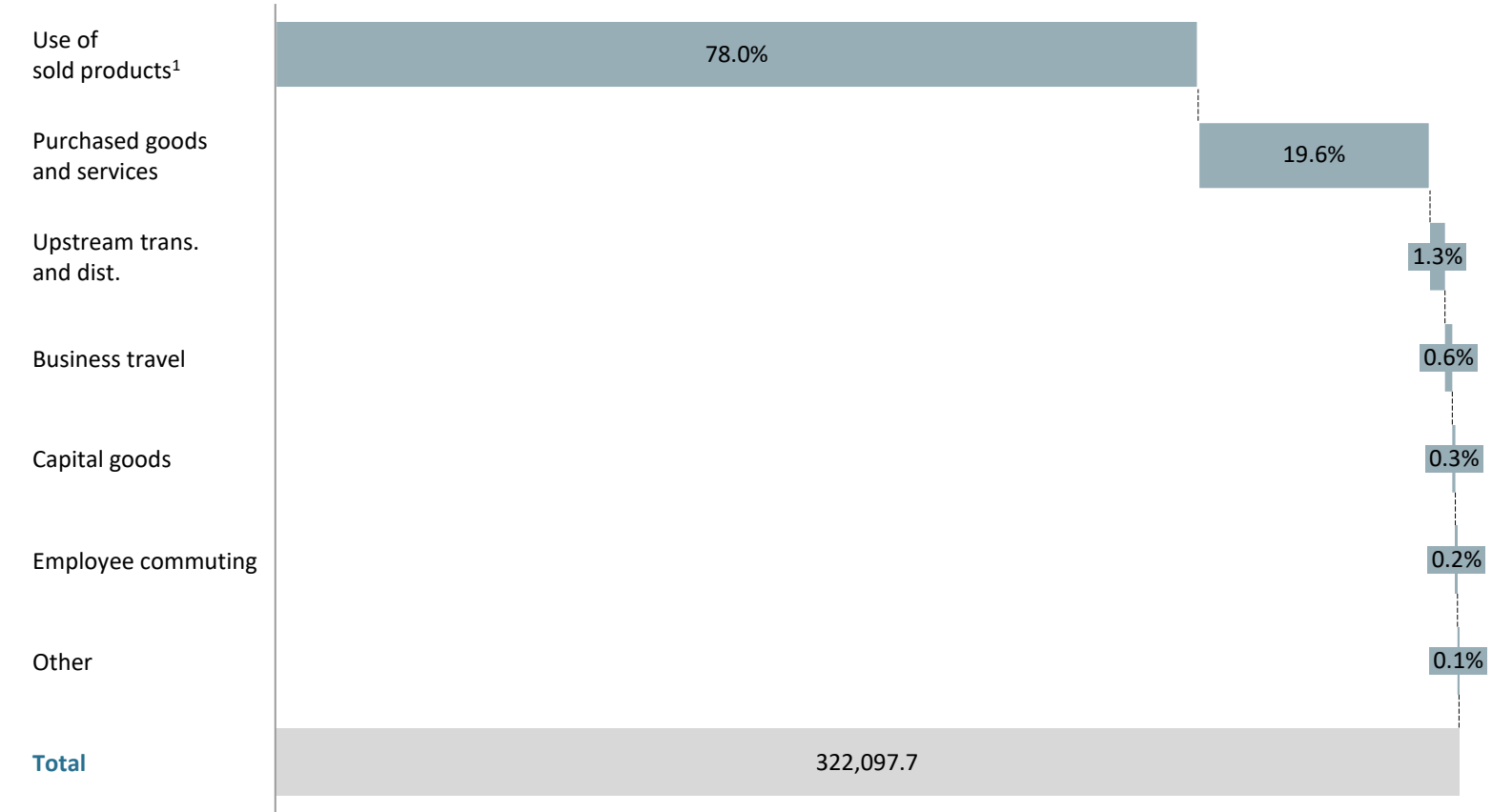
ProXES measured its full scope 3 emissions for the first time in 2023. ProXES has embarked on a project to calculate the product carbon footprint for one of the food production machines to improve transparency and inform product design.

Data quality

ProXES achieved a moderate level of data quality for value chain emissions. As expected from an inaugural assessment, emissions are mainly calculated based on expenditures, although the most material category of use of sold products is estimations-based. Meanwhile, data coverage is high and can be considered to be representative of company activities.

ProXES’s scope 3 emissions are dominated by the use of sold products, as well as the purchased goods and services categories

Scope 3 footprint split by main emission categories, 2023 (tCO₂e, %)

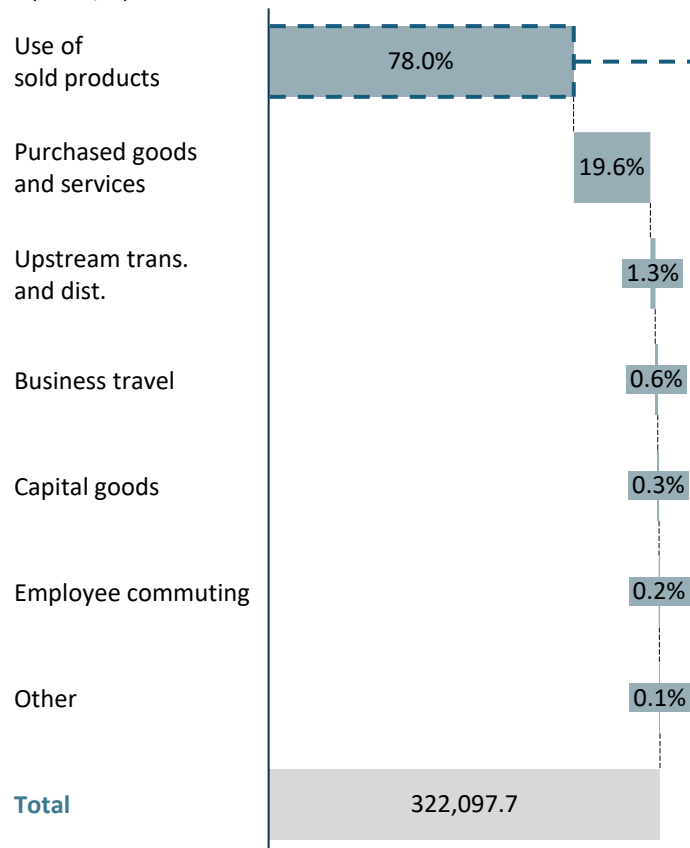


¹More detailed breakdown provided on subsequent page.
Source: Company data, Holtara analysis

Deep-dive - The majority of scope 3 emissions stem from energy consumption in the use phase of sold machinery

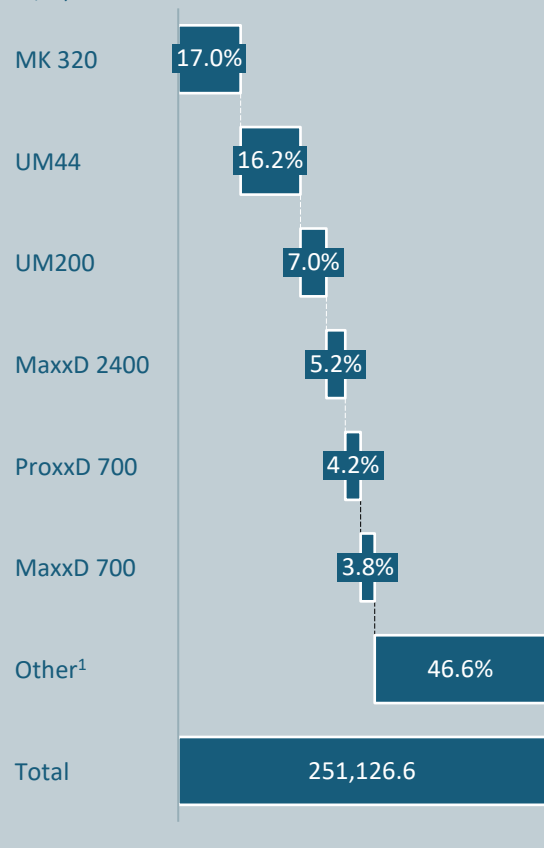
78.0% of scope 3 emissions stem from use of sold products, of which MK 320 product is the largest single contributor

Scope 3 footprint split by main emission categories, 2023 (tCO₂e, %)



17% of use of sold products emissions stem from the MK 320 product

Zoom: Use of sold products, 2023 (tCO₂e, %)



Key takeaways

- ProXES produces vast volumes of machinery that are used in manufacturing across 56 countries globally. In 2023, the company sold a total of 1090 machines, each with varying emissions intensities per unit sold, as dependent on their power usage.²
- The highest single emissions source is the MK 320 machine, with a use-phase energy intensity of 1038.9 tCO₂e/unit, for 41 machines sold, resulting in a total footprint of 42596.0 tCO₂e. The UM 44 is also less carbon intensive, with an emissions intensity of 85.2 tCO₂e/unit and 479 unique sales. The MD 300 machine (included in “Other” category) has the highest use-phase emissions intensity, contributing 2640.9 tCO₂e/unit.
- The second highest emitting category is purchased goods and services, and mostly relates to the embodied emissions from metal products, machinery, and electrical equipment. Implementing PCF³ calculations for machines can help to gain further insights into these embodied emissions.
- Emissions for the use of sold products are estimation-based, with specific insight into power consumption, machine lifetime, and sales locations, ensuring accurate electricity emission factors. Assumptions on daily usage rates and machine power ratings were made, so actual emissions may vary from the calculated value.

¹Including 74 other machine types and 504 units sold. ²The MD 300, TC600, and CT1200 are the most carbon intensive amongst the machines sold. ³Product Carbon Footprint. Source: Company data, Holtara analysis

Data quality and coverage assessment

ProXES' has high data coverage across all categories, while scope 3 data quality will require improvement before establishing science-based targets

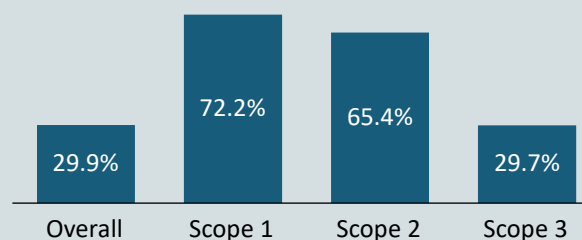
Data quality

Overall data quality is a weighted average of the data quality of each included emission categories multiplied by their proportional contribution towards the total carbon footprint.

- Operational data is mostly activity-based and reliant on specific energy and fuel consumption data. Value chain data quality score is driven by the data quality (estimation-based) of the highest emissions category, use of sold products.
- In order to set robust SBTi¹ targets, ProXES should improve the data quality of scope 3 data to achieve majority activity-based data and, where possible, supplier-specific data.

Overall data quality is 29.9%, driven by relatively low data quality for the highest emissions categories

Data quality, total and per scope, 2023 (%)



Improvement opportunities on data quality

Data quality is high across the board, however further improving scope 3 data quality can lead to higher accuracy and more robust basis for SBTi decarbonisation targets.

Highest materiality	Measure
Use of sold products	Gain further insight into typical power usage for each product
Purchased goods and services	Collect data on volumes of goods purchased, and engage with service providers for supplier-specific emissions
Logistics	Collect data on transportation type and distance travelled per product

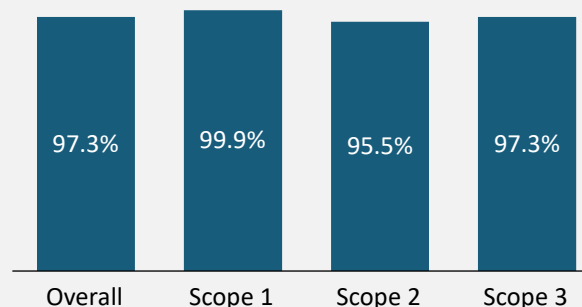
Data coverage

Data coverage indicates the proportion of expected emissions currently accounted for in each emissions category. The overall data coverage is a weighted average of these values based on proportional contribution towards the total carbon footprint.

- Data coverage is high across all emission scopes, with detailed data provided for each ProXES location across all emission sources.
- This level of coverage is sufficient for SBTi target setting.

Overall data coverage is 97.3% as data covers all locations and products for the most material scope 1-3 categories

Data coverage, total and per scope, 2023 (%)



Data coverage is very high and exceeds SBTi requirements across all emission scopes

Highest materiality	Measure
Purchases	Collect data for all services procured in the reporting year
Logistics	Ensure all locations are covered in data reporting, including downstream logistics
Energy	Collect data for full year to ensure complete coverage and reduce uncertainty due to scaling

¹Science Based Targets Initiative.
Source: Company data, Holtara analysis

ProXES has reported operational data for all its locations, with most of the data being of high quality and grounded in actual consumption figures

Emission category ¹		Data quality	Data coverage	Weight (emissions)	Current data basis	Improvement opportunity
Scope 1	Stationary combustion	70.9%	99.9%	42.7%	Based on energy consumption, with some estimations using office area as well as extrapolations to fill data gaps	Expand activity-based consumption data to cover all locations and report on full year of energy consumption
	Mobile combustion	73.6%	100.0%	56.9%	Based on fuel consumption, while ~5% of emissions from this category are spend-based	Aim to increase data quality from spend-based to activity-based for FrymaKoruma AG, and shift away from temporal scaling
	Fugitive emissions from AC's	25.0%	85.6%	0.4%	Based on estimated leakage rate, and covering most locations	This category has a low emissions materiality, informing a low priority opportunity to increase data specificity to activity-based data
	Summary scope 1	72.2%	99.9%	100.0%	Majority high quality activity-based data, with some estimations	Expand data collection and oversight to cover stationary consumption across all locations, with a focus on building energy use
Scope 2	Purchased electricity (facility use)	65.8%	96.0%	51.0%	Based on electricity consumption, with some estimations based on area, and extrapolations to fill data gaps	Aim to gather supplier-specific data where possible, ² and/or collect consumption-based data for all locations covering the entire year
	Purchased electricity (vehicle use)	75.0%	100.0%	0.1%	Based on electricity consumption for electric vehicle charging, covering whole EV fleet	Engage with suppliers to determine supplier-specific data on electricity emissions
	Purchased heat and steam	64.9%	95.0%	48.8%	Based on energy consumption at STM, while usage at ProXES Polska is estimated based on area	Gain further insight into district heating consumption at ProXES Polska ³
	Summary scope 2	65.4%	95.5%	100.0%	Majority high quality activity-based data, with some estimations	Engage with suppliers for supplier-specific emissions data, and ensure all locations are covered for entire year

¹ Includes only material emissions categories. ² Particularly for German locations, for which supplier-specific energy mixes are available. ³ Data coverage score for purchased heat and steam is reduced given that the presence of estimations introduce some uncertainty in coverage.

Source: Company data, Holtara analysis









Scope 3 data coverage is robust across ProXES' most material categories, with data quality enhancements achieved by moving from estimates to activity-based data

Emission category ¹		Data quality	Data coverage	Weight (emissions)	Current data basis	Improvement opportunity
Scope 3	Purchased goods and services	46.1%	91.8%	19.6%	Mostly based on expenditure with some extrapolations to cover all months, and data for procured services nonexhaustive	Engage with service providers to gain insight into supplier-specific emissions, and collect data on volumes of goods purchased
	Capital goods	50.0%	100.0%	0.3%	Based on expenditure	Shift towards activity-based data to ensure the quantity and type of capital goods purchased is well represented
	Fuel and energy-related activities	68.5%	97.5%	0.1%	Based on energy consumption data from scope 1 and 2 reporting	Expand activity-based data to all locations, and engage with suppliers for supplier-specific emissions
	Upstream transportation and distribution	49.9%	49.9%	1.3%	Based on activity-based and spend-based data, with some extrapolations and assumptions; includes outbound transport	Gain further insight into transportation type shift towards activity-based or supplier-specific data; disaggregate upstream and downstream transport
	Waste generated in operations	30.8%	30.8%	0.0%	Combination of estimations, spend-based and activity-based data	Collect the weight of waste for the most material waste types related to food waste at the ProXES Inc. location
	Business travel	50.0%	50.0%	0.6%	Combination of all data types, including supplier specific data, varying data coverage	Enhance data collection to split business travel costs into more granular categories and shift towards activity-based data for hotel stays and transport
	Employee commuting	25.0%	25.0%	0.2%	Estimation based on FTE and national average commuting statistics	Conduct a survey for employees on commuting habits and distances travelled
	Use of sold products	25.0%	100.0%	78.0%	Estimation based on typical power usage over lifespan across global locations	Gain specific insight into operational hours of each machine sold, as well as specific lifespan of product
	End-of-life treatment of sold products	25.0%	100.0%	0.0%	Estimation based on typical weight, material and disposal type of sold products	Collect and report data on weight, material type and disposal type of sold products
	Total scope 3 data quality	29.7%	97.3%	100.0%	Based on estimations and spend, with high coverage across categories	Gain further insight activity-based and supplier specific emissions for most material categories

¹ Includes only material emissions categories.
Source: Company data, Holtara analysis

High-level decarbonisation opportunities

Opportunities exist for ProXES to further reduce its carbon footprint in key emissions categories

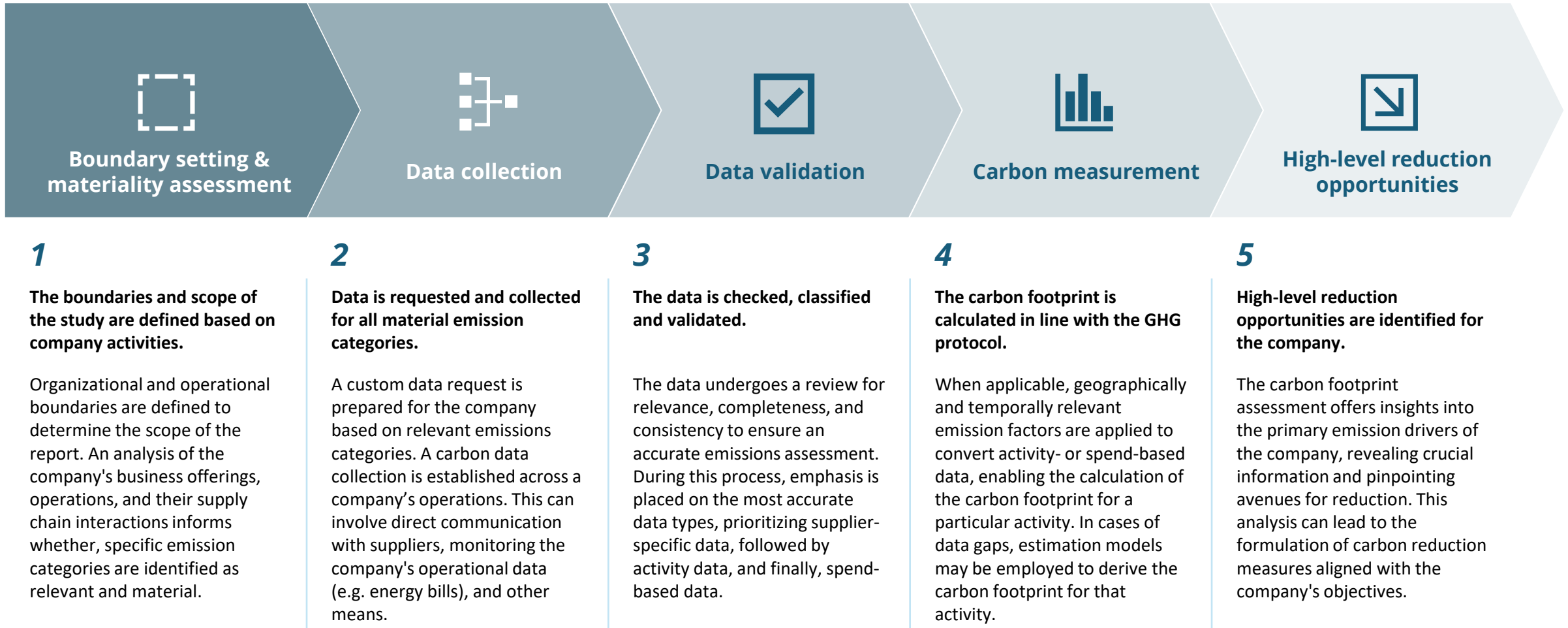
Prioritisation ¹	Measure	Associated carbon footprint (% of total)	Financial burden ¹	Implementation
★★★★	 Product design	 77.6%	HIGH	Emissions reductions from the use phase of machinery can be achieved by improving the energy efficiency of the products through conducting R&D in the design phase. Choosing machines with more efficient engines, can help to reduce energy required to operate machines for ProXES' customers.
★★★★	 Sustainable procurement	 19.5%	MEDIUM	Machinery is composed of metals and similar materials with high embodied emissions. As aligned with ProXES' ESG by Design approach, procurement processes should involve considering the full life cycle impacts of procured materials, including whether suppliers meet low-carbon criteria in their production and sourcing processes.
★★★	 Logistics	 1.3%	MEDIUM	Although most procurement is focused on European market, ProXES sources some goods from locations around the world, with significant contributions from air freight. ² ProXES should consider sourcing materials locally as much as possible, as well as switching international travel from air to water-based transport, and inland transport from truck to rail transportation.
★	 Energy use in operations	 0.5%	HIGH	ProXES operational absolute emissions and emissions intensity have both increased since 2020. ³ These can be reduced through further focus on energy efficiency in operations, electrifying energy sources, switching a greater share of the mobile fleet toward electric vehicles, and increasing renewable energy procurement across locations.

Note: Figures are indicative. ¹Prioritisation is based on expected financial burden and relative contribution of each measure to carbon footprint reductions. ²High air freight emissions result from outbound logistics and assumptions that assume air transportation for distances over 1000km. ³Please note that due to an increase in data coverage, historic figures restrict direct comparison to 2023 values.
Source: Company data, Holtara analysis

Annex



Through a five-step process, we assess the full value chain emissions of ProXES, and identify key emissions reduction opportunities



Material scope 1 & 2 emission sources are identified based on typical company activities

- ✓ Material and included
- Material but not included in assessment
- ✗ Deemed not material

Scope 1 & 2 Materiality assessment

To enable an effective and efficient carbon monitoring and -reduction process, it is key to focus on material emissions sources. An analysis of the company's business offerings and operations was performed, informing whether specific emission categories are identified as relevant and material. Material emission sources contribute significantly to the company's overall footprint, whereas a category is deemed immaterial if its contribution to the overall footprint is negligible (<5% of overall footprint).

Analysis boundary

Organisational boundary

ProXES directly controls 13 sites, including offices in Illinois and New Jersey, nine locations across Europe in countries like Germany, Switzerland, France, Belgium, the Netherlands, the UK, and Poland, and two sites in Asia, specifically Shanghai and Singapore.



Scope of activities

Main activities at company locations include production and assembly activities, as well as providing installation, spare parts, and maintenance services.



Emission category		Materiality	Reason for inclusion/exclusion
Scope 1	Stationary combustion	✓	ProXES heats its locations through the combustion of natural gas, so the associated emissions are included in the analysis.
	Mobile combustion	✓	ProXES operates a vehicle fleet of fossil-fuel burning cars and vans, so the associated emissions are included in the analysis.
	Fugitive and process emissions	✓	ProXES has refrigerant leakage from its AC units, so the associated emissions are included in the analysis.
Scope 2	Purchased electricity (facility use)	✓	ProXES procures a mix of renewable electricity and electricity from the national grid across locations, so the associated emissions are included in the analysis.
	Purchased electricity (vehicle use)	✓	ProXES operates an electric vehicle fleet, so the associated emissions are included in the analysis.
	Purchased heat and steam	✓	ProXES procures heat and steam energy at the STM location and ProXES Polska, so the associated emissions are included in the analysis.

Material upstream scope 3 emission sources are identified and included in the assessment

- ✓ Material and included
- Material but not included in assessment
- ✗ Deemed not material

Scope 3 Upstream - Materiality assessment

For the scope 3 emission categories, a materiality analysis was performed based on the company's business offerings, and supply chain interactions, informing whether specific emission categories are identified as relevant and material. Categories are deemed immaterial if they are either not applicable to the company's operations and/or supply chain, or their contribution to the overall footprint is negligible (<5% of overall footprint).

Analysis boundary

Organisational boundary

ProXES directly controls 13 sites, including offices in Illinois and New Jersey, nine locations across Europe in countries like Germany, Switzerland, France, Belgium, the Netherlands, the UK, and Poland, and two sites in Asia, specifically Shanghai and Singapore.



Scope of activities

ProXES's upstream value chain actors are predominately in the industrial sector, supplying parts for assembly at ProXES locations.



Emission category		Materiality	Reason for inclusion/exclusion
Scope 3 Up-stream	Purchased goods and services	✓	ProXES purchases goods and services as inputs for products, so the associated emissions are included in the analysis.
	Capital goods	✓	ProXES purchases capital goods to enable its business activities, so the associated emissions are included in the analysis.
	Fuel and energy-related activities	✓	ProXES purchases natural gas, district heating, mobile fuel sources and electricity (scope 1 and 2), so indirect emissions are included in the analysis.
	Upstream transportation and distribution	✓	ProXES purchases transportation and distribution services, so the associated emissions are included in the analysis.
	Waste generated in operations	✓	ProXES produces waste during its operations, so the associated emissions are included in the analysis.
	Business travel	✓	ProXES' employees travel for business-related activities (in vehicles not owned or controlled by the company), so the associated emissions are included in the analysis.
	Employee commuting	✓	ProXES' employees commute to work, so emissions are included in the analysis, so the associated emissions are included in the analysis.

Material downstream scope 3 emission sources are identified and included in the assessment

- ✓ Material and included
- Material but not included in assessment
- ✗ Deemed not material

Scope 3 Downstream - Materiality assessment

For the scope 3 emission categories, a materiality analysis was performed based on the company's business offerings, and supply chain interactions, informing whether specific emission categories are identified as relevant and material. Categories are deemed immaterial if they are either not applicable to the company's operations and/or supply chain, or their contribution to the overall footprint is negligible (<5% of overall footprint).

Analysis boundary

Organisational boundary

ProXES directly controls 13 sites, including offices in Illinois and New Jersey, nine locations across Europe in countries like Germany, Switzerland, France, Belgium, the Netherlands, the UK, and Poland, and two sites in Asia, specifically Shanghai and Singapore.



Scope of activities

ProXES services end markets in the food, health and personal care products, as well as pharmaceutical sectors.



Emission category		Materiality	Reason for inclusion/exclusion
Scope 3 Downstream	Downstream transportation and distribution	→	ProXES distributed products downstream to customers, but has little oversight on transportation orchestrated by the customer.
	Processing of sold products	✗	ProXES does not sell products that require further processing downstream, so this category is not considered in the analysis.
	Use of sold products	✓	ProXES sells products that consume energy in their use phase, so emissions from energy consumption of products are included in the analysis.
	End-of-life treatment of sold products	✓	ProXES sells products that will turn into waste at the end of their lifetime, so emissions from the material type waste treatment are included in the analysis.
	Downstream leased assets	✗	ProXES does not lease to others, so this category is not considered in the analysis.
	Franchises	✗	ProXES does not operate franchises, so this category is not considered in the analysis.
	Investments	✗	ProXES does not have investments, so this category is not considered in the analysis.

Definitions and terms

Metric	Unit	Definition
Total energy consumption	MWh	The calculated total energy consumption from all sources (scope 1 and 2; including electricity, fuel, gas, and if relevant, steam and heat), during a reporting period.
Carbon intensity	tCO ₂ e / €M rev	Carbon emissions in metric tonnes per millions of net revenue, during a reporting period.
Scope 1 emissions	tCO ₂ e	Direct emissions due to owned, controlled sources accounted for using the GHG Protocol, during a reporting period.
Scope 2 emissions	tCO ₂ e	Indirect emissions due to purchase of electricity, heat, steam, etc. accounted for using the GHG Protocol, during a reporting period.
Scope 3 emissions	tCO ₂ e	All indirect emissions (i.e. not included in scope 1 or 2) that occur in the company value chain, including both upstream and downstream emissions. Accounted for using the GHG Protocol, during a reporting period.
Proxy data	-	Proxy data refers to indirect or substitute information used to estimate GHG emissions when direct emissions data is unavailable or difficult to obtain.
Activity data	-	Activity data specifies how many units of a particular product or material that a company has purchased. For example, it could be litres of fuel, kilograms of textile, etc.
Spend data	-	Spend data relates to the financial expenditures associated with GHG emissions. It involves tracking the monetary costs associated with activities, processes, or purchases that lead to emissions.
Supplier data	-	Supplier-specific data is information provided by suppliers or vendors that is relevant to GHG emissions accounting. This data typically includes details about the emissions associated with the production, transportation, or provision of goods and services by suppliers.
Market-based approach	-	A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).
Location-based approach	-	A location-based approach accounts for emissions based on the average emissions intensity of grids where energy consumption takes place, primarily utilizing grid-average emission factor data.
Base year	Year	A historic datum (a specific year or an average over multiple years) against which a company’s emissions are tracked over time.
CO ₂ equivalent	CO ₂ e	The universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate different greenhouse gases against a common basis.

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