

KOENIG & BAUER

Corporate Governance Statement

2023

Principles of good corporate governance firmly anchored

Responsible and transparent corporate governance oriented to long-term value creation has high priority at Koenig & Bauer. We are convinced that good corporate governance forms an essential basis for sustainable business success and strengthens the trust of our shareholders, business partners, employees and the financial markets in our Company. We regard integrity and compliance as indispensable in business transactions and pursue a zero-tolerance policy.

Declaration of compliance in accordance with section 161 of the German Stock Corporation Act

The Management Board and the Supervisory Board of Koenig & Bauer AG issued the following declaration of conformity on 17 March 2023 on the basis of the current version of the German Corporate Governance Code dated 28 April 2022 (the “Code”).

The recommendations of the Government Commission on the German Corporate Governance Code in the version dated 28 April 2022 published by the Federal Ministry of Justice on 27 June 2022 in the official section of “Bundesanzeiger” (the “2022 Code”) were complied with and will continue to be complied with in the future subject to the following exceptions:

Recommendation A.5

In accordance with recommendation A.5, which is newly introduced in the 2022 Code, the management report should describe the main characteristics of the entire internal control system – and not only accounting-related one – as well as the risk management system. In addition, it should comment on the appropriateness and effectiveness of these systems.

Thus, the recommendation goes substantially beyond the legal requirements set out in sections 289 (4) and 315 (4) of the German Commercial Code. For this reason, Koenig & Bauer AG is – as required by law – currently describing the main characteristics of the internal control system and the risk management system with regard to the accounting

process in its combined management report and therefore does not comply with recommendation A.5 of the 2022 Code. The Company is aiming to comply with this recommendation from next year.

Historically, Koenig & Bauer AG has complied with the recommendations of the Government Commission on the German Corporate Governance Code in the version dated 16 December 2019 published by the Federal Ministry of Justice on 20 March 2020 in the official section of the Federal Gazette (the “2019 Code”) since the last declaration of conformity dated 18 March 2022.

This declaration as well as the ones for earlier years are available publicly at the Company’s website at <https://investors.koenig-bauer.com/en/corporate-governance/declaration-of-compliance/>. The recommendations of the German Corporate Governance Code are being implemented.

More details concerning remuneration can be found at: <https://investors.koenig-bauer.com/en/investor-relations/corporate-governance/remuneration/>

Objectives regarding the composition (skills profile and diversity policy) of the Supervisory Board and the progress made in implementing these in the past year

In accordance with the recommendations of the Code, the Supervisory Board has defined specific objectives for its own composition.

These objectives take into account the legal requirements and – except where any exception is disclosed – the recommendations of the German Corporate Governance Code with regard to diversity, appropriate gender representation and the characteristics of independence, experience, internationality and professional competence. The Supervisory Board regularly revises the objectives concerning its own composition.

The Supervisory Board of Koenig & Bauer AG should be composed in such a way that its members possess the knowledge, skills and professional experience required to properly perform their duties in a company operating at a global level. The Supervisory Board should include what it considers to be an appropriate number of independent members from the group of shareholder representatives in accordance with recommendations C.6 and C.7 of the German Corporate Governance Code. Each member of the Supervisory Board should ensure that he/she is able to devote sufficient time to perform his/her duties. The upper limits recommended by the Code must be taken into account in addition to the statutory mandate restrictions. Article 9.3 of Koenig & Bauer AG’s Articles of Association stipulates that only persons who have not yet reached the age of 67 at the time they are elected may be nominated for election to the Supervisory Board. Currently, there is no fixed rule regarding the length of membership.

Koenig & Bauer AG's Articles of Association currently provide for a period of five years per term of office. In order to be able to propose individual candidates at the annual general meeting for a shorter term of office in the future, the Supervisory Board has decided to amend Article 9.2 of the Articles of Association to match the wording of section 102 of the German Stock Corporation Act and to propose a corresponding amendment to the Articles of Association for approval at the annual general meeting on 16 June 2023. As a rule, candidates for election are to be proposed for a maximum term of office of four years. Membership of the Supervisory Board should not exceed a total of three terms of office in the future.

The Supervisory Board pays attention to diversity in determining its composition. In addition to appropriate gender representation, this includes a balanced age structure, different professional and international profiles and various educational and professional backgrounds. As Koenig & Bauer AG is a German listed public limited-liability company subject to the German Co-Determination Act, the Supervisory Board is composed of at least 30% women and at least 30% men in accordance with the principles set out in section 96 (2) of the German Stock Corporation Act.

The members of the Supervisory Board should have business or operational experience, preferably at an international level, and possess general knowledge of mechanical and plant engineering as well as the printing and media sector. Each member of the Supervisory Board should understand Koenig & Bauer AG's strategy and portfolio. Moreover, the Supervisory Board ensures that as a whole it has expertise in all areas that are considered essential in the light of Koenig & Bauer AG's activities. In addition to an international background and management experience, this particularly includes expertise and experience in law/corporate governance/compliance/co-determination, strategy/M&A, financing/capital market/investors, accounting and auditing including internal control systems, IT systems/cybersecurity/digitalisation, risk management, sales/marketing/after-sales services, operations/operational excellence and environmental, social and corporate governance matters (ESG).

In accordance with the skills profile, at least one member of the Supervisory Board representing the shareholders must hold expertise in accounting and at least one other member must hold expertise in auditing within the meaning of section 100 (5) of the German Stock Corporation Act ("financial expert"). Accounting and auditing also includes sustainability reporting and related auditing procedures. The chairperson of the Audit Committee should be an expert and independent in at least one of these two areas.

In addition, the shareholder representatives on the Supervisory Board have decided that, on the part of the shareholder representatives,

- at least three members should have practical experience of working on supervisory boards and/or comparable supervisory bodies;

- at least two members should have experience in a management and key position in international corporations;
- at least one member should have expertise in plant and mechanical engineering;
- at least one further member should have extensive experience in innovation, research, development and technology;
- at least one member should have appropriate expertise in ESG and CSR within the meaning of the Code;
- at least one further member should possess special expertise of the printing and media industry as well as in packaging printing.

The Supervisory Board and its Nominating Committee take into account the objectives for the composition of the Supervisory Board and the requirements set out in the diversity policy and skills profile during the selection process and in the nomination of candidates for the Supervisory Board. The Supervisory Board will determine which of its required skills and expertise must be strengthened before any new appointments are made. When selecting future candidates, the Supervisory Board will pay particular attention to whether they have expertise and practical experience in the printing and media sector.

The Supervisory Board believes that its current composition fulfils the objectives regarding its composition and enhances the skills profile and diversity policy. The members of the Supervisory Board have the professional and personal qualifications considered to be necessary. The Supervisory Board as a whole is familiar with mechanical and plant engineering as well as the business areas in which the Company operates. This expertise also includes a basic knowledge of the printing and media sector as well as the packaging sector. The majority of the members of the Supervisory Board have many years of international management experience as well as practical experience in working on supervisory boards.

As former Deputy Chairman of the Management Board of Gildemeister AG and former Chairman of the Management Board of Knorr Bremse AG, Prof. Dr.-Ing. Raimund Klinkner has many years of experience and expert knowledge of mechanical and plant engineering. As director of wbk Institute for Production Technology for Production Systems at the Karlsruhe Institute of Technology (KIT), Prof. Dr.-Ing. Gisela Lanza has extensive experience in innovation management as well as research and development.

The Audit Committee of Koenig & Bauer AG has in its chairperson Dagmar Rehm a member with special auditing and accounting knowledge and experience in accordance with the requirements described in greater detail in recommendation D.3 sentence 1 of the 2022 Code. Dr Johannes Liechtenstein is another member of the Audit Committee possessing proven expertise in accounting.

The Supervisory Board has further strengthened its ESG expertise through specific further training in this area. Responsibility for ESG/sustainability on the Supervisory Board lies with the Audit Committee. As the chairperson of the Audit Committee, Ms.

Rehm has developed a deep understanding of the importance of sustainability in corporate governance through her intensive involvement with matters pertaining to the environment, social responsibility and governance and is able to analyse and evaluate complex ESG topics. Thanks to his many years of experience in the operational management of forestry operations, Matthias Hatschek is also a proven expert in the field of sustainability.

Under the statutory requirements, the Supervisory Board must have at least 30% female representation.

As aggregate compliance with this requirement has been waived, the Supervisory Board must be composed of at least two women and at least two men from among the shareholder representatives as well as from among the employee representatives. The inclusion of two female shareholder representatives, Ms Dagmar Rehm and Prof. Dr.-Ing. Gisela Lanza, and the two female employee representatives, Ms. Julia Cuntz and Ms. Simone Walter, ensures that this minimum requirement is satisfied. The Supervisory Board has five independent members in line with the Code recommendations, namely Prof. Dr.-Ing. Raimund Klinkner, Dagmar Rehm, Carsten Dentler, Prof. Dr.-Ing. Gisela Lanza and Dr Johannes Liechtenstein. Mr Matthias Hatschek has been a member of the Supervisory Board as a shareholder representative since 2006. He is a minority shareholder in MKB Holding GmbH, which owns AlternInvest GmbH, Vienna, Austria. AlternInvest GmbH holds a significant 10.2% share of Koenig & Bauer AG's share capital. A current overview of the progress that has been made can be found in the following qualifications matrix.

Qualifications matrix of the Supervisory Board of Koenig & Bauer AG

Shareholder representatives

		Prof. Dr.-Ing. (university-qualified engineer) Raimund Klinkner	Dipl.-Volkswirtin (university-qualified economist) Dagmar Rehm	Dipl.-Kaufmann (university-qualified business administrator) Carsten Dentler	Dipl.-Ing. (university-qualified engineer) Matthias Hatschek	Dr. Johannes Liechtenstein	Prof. Dr.-Ing. (university-qualified engineer) Gisela Lanza
Length of membership	Member since	2018	2014	2017	2006		2019
	Elected until	2024	2024	2027	2026		2024
Function	Supervisory Board	Chairman	Deputy chairwoman	Member	Member	Member	Member
	Audit Committee		Chairwoman			Member	
	Nominating Committee	Chairman	Member		Member		
	Personnel Committee	Chairman	Member				
	Mediation Committee pursuant to section 27 (3) of the Co-Determination Act	Chairman				Member	
	Strategy Committee	Member			Member	Member	Chairwoman
Personal suitability	Independence according to the German Corporate Governance Code	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	No overboarding	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Diversität	Year of birth	1965	1963	1964	1964	1969	1973
	Gender	male	female	male	male	male	female
	Nationality	German	German	German	Austrian	Liechtenstein	German
	Educational Background	Engineer	Economist	Business economist/forestry manager	Business economist / banking	Business economist /forestry manager	Engineer, business economist
International experience	Europe	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	North and Central America	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	South America	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Asia /Pacific	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Middle East / Africa	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Technical skills*	Supervisory board and committee work	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Experience in management/leadership/human	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Legal/corporate governance/compliance/ co-determination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Risk management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Strategy /M& A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Financing / capital market/ investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Accounting (including internal control and risk management systems and sustainability reporting and auditing)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Auditing of financial statements (including sustainability reporting and auditing)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	IT systems /cybersecurity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Operations (operational excellence -purchasing, manufacturing, assembly, logistics, supply chain)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Sales, marketing and after-sales service	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Digitisation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Environment, social and corporate governance (ESG)	<input checked="" type="checkbox"/>					
Sector knowledge*							
	Markets and competition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Printing industry, printing technologies and packaging	Products and new technologies	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Designated expert							
	Financial expert in accordance with section 100 (5) of the German Stock Corporation Act/ Recommendation D.3 of the German Corporate Governance Kodex		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	

* Self-assessment of the Supervisory Board member

Qualifications matrix of the Supervisory board of Koenig & Bauer AG		Employees representatives					
		Gottfried Weippert	Julia Cuntz	Marc Dotterweich	Werner Fierl	Christopher Kessler	Simone Walter
Length of membership	Member since	2001	2016	2016	2021	2016	2016
	Elected until	2026	2026	2026	2026	2026	2026
Function	Supervisory Board	Deputy chairman	Member	Member	Member	Member	Member
	Audit Committee	Member		Member			
	Nominating Committee						
	Personnal Committee	Member					
	Mediation Committee pursuant to section 27 (3) of the Co-Determination Act	Member	Member				
Strategy Committee	Member				Member	Member	
Personal suitability	Independence according to the German Corporate Governance Codex	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No overboarding	<input checked="" type="checkbox"/>					
Diversity	Year of birth	1960	1975	1973	1961	1963	1977
	Gender	male	female	male	male	male	female
	Nationality	German	German	German	German	German	German
	Educational background	Industrial master metal-working	Lawyer	Maching mechanic	Shop mechanic	Lawyer	Mechanical engineer
International experience	Europe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	North and Central America	<input type="checkbox"/>					
	South America	<input type="checkbox"/>					
	Asia /Pacific	<input type="checkbox"/>					
	Middle East/ Africa	<input type="checkbox"/>					
Technical skills*	Supervisory board and committee work	<input checked="" type="checkbox"/>					
	Experience in Management/Leadership/Human Resources	<input checked="" type="checkbox"/>					
	Legal/corporate governance/compliance/co-determination	<input checked="" type="checkbox"/>					
	Risk management	<input checked="" type="checkbox"/>					
	Strategy /M&A	<input checked="" type="checkbox"/>					
	Financing / capital market/ investors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

	Accounting (including internal control and risk management systems and sustainability reporting and auditing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Auditing of financial statements (including sustainability reporting and auditing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	IT systems /cybersecurity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Operations (operational experience - purchasing, manufacturing, assembly, logistics, supply chain)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Sales, marketing and after-sales service	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Digitisation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Environment, social and corporate governance (ESG)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sector knowledge*							
Printing industry, printing technologies and packaging	Markets and competition	<input checked="" type="checkbox"/>					
	Products and new technologies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Designated expert							
	Financial expert in accordance with section 100 (5) of the German stock Corporation Act/ Recommendation D.3 of the German Corporate Governance Codex						

*Self-assessment of the Supervisory board member

The D&O insurance taken out for the members of the Supervisory Board is subject to a deductible of €2,500. There were no conflicts of interest on the part of the members of the Supervisory Board and the Management Board in the year under review. The members of the Management Board and the Supervisory Board are under a duty to disclose to the Supervisory Board any conflicts of interest arising from material transactions or contracts with the Company without undue delay.

Objectives regarding the composition of the Management Board and the diversity policy for the Management Board and lower management levels

The Supervisory Board will be including diversity in terms of age, gender, educational or professional background as well as international profile as a criterion for future Management Board appointments. The Supervisory Board and the Management Board respect the objectives pursued with the introduction of a gender representation quota and attach importance to the equal treatment of and equal opportunities for women and men. In accordance with the Act on the Equal Participation of Women and Men in Executive Positions in Private and Public Sector, the Management Board and the Supervisory Board have defined targets for gender representation quotas.

The Supervisory Board has decided that its female representation quota for the Management Board is to remain at 0% until 2025. It has considered closely the planned female representation target on the Management Board to be implemented by 2025 and ultimately set it at 0%. This decision must be seen solely in the light of the service contracts of the members of the Management Board, which continue until 2025 or 2026 and must therefore be respected by the Supervisory Board. Setting a target of more than 0% would have implied that the Supervisory Board was not willing to act in accordance with these service contracts or its own decisions. This is why no woman is currently a member of the Management Board.

The next time a new member is to be appointed to the Management Board, the female representation quota will of course be duly taken into account in accordance with the requirements of the Second Executive Positions Act (FüPOG II). Moreover, the Supervisory Board pays attention to diversity in the composition of the Management Board, while the Management Board itself observes these requirements when filling management positions within the Group. In cases in which female and male candidates have comparable qualifications, the proportion of women is to be increased as far as possible when new appointments are made.

The Supervisory Board has anchored the promotion of women in the Management Board's personnel objectives ("Level Playing Field"). The Supervisory Board and the Management Board attach importance not only to increasing the number of women in

management positions and strengthening their status, but also to raising the number of female employees in the Company and in the Koenig & Bauer Group as a whole. Thus, the previous female representation target of 17% at the first level below the Management Board of 7% for the second level below the Management Board has been clearly exceeded (see below for more information). The new targets have been set at 30% for the first level and at 11% for the second level below the Management Board. Koenig & Bauer attaches particular importance to the diversity of its workforce in terms of ethnicity, age and religion (world view). People with mobile disabilities also have a place in the regular workforce. As with many other mechanical engineering companies, Koenig & Bauer has a relatively small proportion of women of 14.8% (previous year: 13.7%) in the Group compared with other sectors. Various measures, such as the analysis of recruiting activities, the establishment of mentoring programmes, “Girls Day”, the expansion of holiday child-care services and more flexible working hours to balance family and work are being offered and enhanced. At the training centre in Radebeul, a female trainer has been hired to enhance diversity in training activities and thus to attract potential female apprentices. Together with a greater number of highly qualified female employees, the proportion of women in management positions is to be widened by means of internal promotions as well as external appointments. At the end of 2022, the proportion of women stood at 33.3% at the first management level and at 11.1% at the second management level below the Management Board at Koenig & Bauer AG. These figures had stood at 25.0% and 12.5%, respectively, one year prior to this. The Management Board’s diversity management policy also includes approaching specialists and managers in international labour markets via our production, service and sales companies outside Germany, whose potential for expansion is regularly reviewed.

Corporate governance practices further optimised

Beyond the legal requirements, Koenig & Bauer is adopting further leadership rules and corporate practices as a better basis for decisions and monitoring them efficiently. The comprehensive planning, management and control system is described in detail in the Company’s combined management report. Comprehensive and binding instructions with the aim of ensuring legally compliant and ethical conduct on the part of employees are set out in the Code of Business Conduct and the Company’s executive guidelines. Koenig & Bauer also expects its suppliers and business partners to recognise and respect these principles as well as human rights and social standards. This is laid down in the Supplier Code of Conduct.

The Code of Business Conduct and the Supplier Code can be found at <https://compliance.koenig-bauer.com/en/>.

Compliance management system meets high standards

Responsible and transparent corporate governance oriented to long-term value creation has high priority at Koenig & Bauer. We regard integrity and compliance as indispensable in business transactions.

The Group-wide compliance management system protects employees and companies from breaches of laws or internal rules and simultaneously helps them to duly follow these laws and internal rules.

The compliance management system reports to the Chief Executive Officer and is managed and implemented throughout the Group by the Group Compliance Officer. All Koenig & Bauer AG subsidiaries have designated contact persons to answer questions that employees may have on compliance or to communicate compliance-related matters. Compliance officers have been appointed at the segment level and compliance operatives named at the individual companies. In addition, managers with special responsibility for relevant matters, such as health and safety and environmental protection are appointed, overseeing their areas of responsibility independently and competently on the basis of their specific expertise. Beyond their duties in implementing and monitoring standards, processes and reporting at the subsidiaries, the local compliance officers and operatives have a special function as a direct contact and advisor for local employees for compliance-related matters. Koenig & Bauer AG has also established a central export control unit.

The system is continuously enhanced, structured more effectively and placed on a sustainable footing on the basis of a regularly updated compliance risk analysis. In addition to monitoring changes in the law and reported compliance risks, one component of the risk assessment entails the continuous sharing of information on the internal processes of the Koenig & Bauer Group. For this purpose, a compliance team has been set up and is composed of representatives from information technology, human resources, accounting, taxes, data protection as well as the local compliance officers. Since 2021, all subsidiaries have additionally submitted a standardised report on their compliance situation as part of the fixed agenda of the meetings of the relevant supervisory bodies (e.g. boards, shareholder assemblies, supervisory boards, governance bodies). Regular sharing with employees together with management's strong commitment to compliance ("tone from the top") has additionally strengthened the compliance culture within the Group. As of 1 January 2023, Koenig & Bauer AG is applying the Supply Chain Due Diligence Act. Compliance management for ensuing observance of the legal due diligence obligations in our own area of business area and in our supply chains is currently being established.

The Code of Conduct adopted by Koenig & Bauer AG's Management Board forms the basis for the Group's system of values. Numerous Group guidelines have been issued on this basis, detailing the compliance organisation and requirements for processes.

Guidelines, work instructions and processes are prepared as required and facilitate the application of the compliance requirements in day-to-day work. All relevant guidelines, forms and guidelines are made available to employees in a suitable manner, primarily via a central portal on the Koenig & Bauer intranet.

At the same time, training and internal communications on the Group-wide Intranet promote broad-based awareness of compliance matters and encourage consistent observance of the applicable rules. Based on SuccessFactors, the “Koenig & Bauer Campus” training management system ensures the efficient and effective control of internally developed and externally sourced learning content across the Group based on employees’ areas of activity. Online training courses are supplemented by in-depth face-to-face sessions structured according to the needs of the specialist departments; the Covid-19 pandemic meant that only a small number of face-to-face training sessions have been held over the last few years. However, relevant and updated compliance information was communicated via the Intranet, the compliance officers at the subsidiaries or individual messages.

In order to obtain swift and direct information on possible breaches of the law, rules and internal regulations, the Group-wide intranet-based whistleblower system that had been established in 2017 was replaced by an internet-based whistleblower platform in 2022, which enables employees, business partners and third parties to provide anonymous information on possible breaches of the law and compliance matters. The platform is not limited in terms of the nature of the violations and thus also allows, for example, reports to be submitted on human-rights violations or environmental issues. Via an integrated chat function, it is also possible to stay in touch with anonymous whistleblowers in order to update them on the status of their report or to request additional information. However, employees can still turn to the trusted internal third parties known to them at their companies, the central compliance organisation or management at any level. The whistleblower system also provides an opportunity of highlighting human rights and environmental risks, as well as violations of human rights or environmental obligations arising from the economic activities of a company in its own area of business or of a direct supplier.

Independent inspections by Internal Auditing or external auditors continuously monitor the effectiveness of the compliance management system. Certification of the CMS in accordance with ISO 37001 is also of particular relevance in this connection. The Supervisory Board’s Audit Committee is kept regularly informed at its meetings of any compliance incidents as well as the progress being made in this area.

In addition to permanently improving our compliance management system, we are committed to advancing our international compliance culture and, in particular, to

combating corruption and other unfair business practices worldwide. With the KBA-NotaSys Integrity Fund, which was launched in 2017, Koenig & Bauer finances international projects to enhance compliance processes and culture. A total of 42 projects initiated by universities, associations and institutions in Europe, South America and Africa have been funded. The project initiators include Transparency International, the German Institute for Compliance (DICO), the German Institute for Efficiency Testing (DIEP) and various Swiss and German universities. Of particular importance is the support we provide as a member of the Banknote Ethics Initiative (BnEI). Since its foundation in 2013, BnEI has established a strict code to prevent and combat corruption and anti-trust violations in the field of banknote printing and trading. The principles developed are not only recognised among the members of the BnEI but also adopted by a significant proportion of central banks and banknote printers worldwide and form part of their procurement processes. As a member of the BnEI, Koenig & Bauer Banknote Solutions has agreed to be bound by strict rules of conduct and transparency, compliance with which is verified as part of regular recertification based on an audit programme developed by the BnEI. This accreditation was successfully renewed in 2020, with the next accreditation audit planned for 2023.

Additional more detailed information on the compliance management system can be found at <https://compliance.koenig-bauer.com/en/> and in the non-financial statement included in the annual report of Koenig & Bauer AG in accordance with sections 289b (3) and 315b (1),(3) of the German Commercial Code.

Close cooperation between the Management Board and the Supervisory Board

As a German joint-stock company Koenig & Bauer AG has a two-tier management and control structure, exercised by the members of the Management Board and the Supervisory Board. The Management Board and Supervisory Board work together closely and responsibly in the best interests of the Company. The common goal is to ensure the Company's continued viability and to achieve growth in its enterprise value.

In 2022, the Supervisory Board approved the renewal of the contracts of Christoph Müller and Ralf Sammeck. Mr Müller will now be remaining on the Management Board until 30 June 2026 after being initially appointed in 2006. He is in charge of the Digital & Webfed segment. He is responsible for new developments in corrugated board and digital printing as well as strategic partnerships, such as with HP. Mr Müller is also responsible for the smooth integration of Celmacch within Koenig & Bauer's global sales and service network. Ralf Sammeck has been a member of the Management Board since 2007. He is responsible for the Sheetfed segment and the digital transformation within the Group. With his experience, he will ensure that the Sheetfed segment continues to expand its successful position in the growing packaging market even after

the drupa 2024 trade show and drive forward digitisation. His contract has been renewed by a further year until 30 June 2025. The Management Board consists of five members: Dr Andreas Pleßke (Chief Executive Officer and responsible for Special segment), Dr Stephen M. Kimmich (Chief Financial Officer), Christoph Müller (responsible for Digital & Webfed segment), Ralf Sammeck (responsible for the Sheetfed segment and Chief Digital Officer) and Michael Ulverich (Chief Operation Officer – Production, Purchasing & Logistics). The business allocation plan and the allocation of the Management Board responsibilities and segments as well as functional responsibilities is presented in the combined management report on page 20.

As the Company's governance body, the Management Board manages the Company's business and determines and implements its strategy in consultation with the Supervisory Board. In its work, it is committed to pursuing the Company's best interests and the principles of its business policy. The rules of procedure govern the adoption of resolutions. They also define such matters as acquisitions, investments and capital measures for which the Management Board requires the approval of the Supervisory Board. The Management Board informs the Supervisory Board regularly, promptly and comprehensively of all issues relevant to the Company, such as planning, strategy implementation, current business performance and the financial, earnings and risk situation. Any deviations are explained in detail. Reporting by the Management Board Reporting by the Management Board to the Supervisory Board and/or the Audit Committee also includes matters relating to risk exposure and risk management, the internal control system and compliance, i.e. the measures taken to comply with legal requirements, official regulations and internal guidelines. The Management Board's rules of procedure can be found on the Company's website at <https://investors.koenig-bauer.com/en/corporate-governance/rules-of-procedure-of-the-management-board/>

Koenig & Bauer AG's Supervisory Board advises and monitors the Management Board. Under the German Stock Corporation Act (AktG), the Supervisory Board is responsible for appointing or dismissing the members of the Management Board, monitoring and advising the Management Board, adopting the annual financial statements, approving the consolidated financial statements and approving or advising on important aspects of corporate planning and decisions. In accordance with the German Co-Determination Act, the twelve-member Supervisory Board is composed of six shareholder representatives and six employees representatives. The shareholder representatives are elected by the shareholders at the annual general meeting and the employee representatives by the employees at the German sites. In the event of a tied vote on the Supervisory Board, the Chairman has the casting vote. The Supervisory Board may also adopt resolutions in circulatory procedures. The rules of procedure govern the work of the Supervisory Board and its committees. It is available on the Company's website at

<https://investors.koenig-bauer.com/en/corporate-governance/rules-of-procedure-of-the-supervisory-board/>

The office held by Carsten Dentler as a shareholder representative on the Supervisory Board was renewed by the shareholders at the Annual General Meeting on 24 May 2022. Otherwise, there were no changes to the composition of the Supervisory Board during the year under review. The composition of the committees was determined at the constituent meeting of the Supervisory Board held following the Annual General Meeting. Details of the current composition of the Supervisory Board's committees can be found on the Company's website. Similarly, there were no changes to the composition of the Management Board.

Koenig & Bauer currently has five committees: the Personnel, Audit, Strategy, Nominating and Mediation Committees. The names of the respective committee members and the committee chairpersons are summarised below:

Personnel Committee

Prof. Dr.-Ing. Raimund Klinkner (Chair)
Dagmar Rehm
Gottfried Weippert

Audit Committee

Dagmar Rehm (Chair)
Marc Dotterweich
Dr. Johannes Liechtenstein
Gottfried Weippert

Strategy Committee

Prof. Dr.-Ing. Gisela Lanza (Chair)
Carsten Dentler
Matthias Hatschek
Christopher Kessler
Prof. Dr.-Ing. Raimund Klinkner
Simone Walter
Gottfried Weippert

Nominating Committee

Prof. Dr.-Ing. Raimund Klinkner (Chair)
Matthias Hatschek
Dagmar Rehm

Mediation Committee pursuant to section 27 (3) of the Co-Determination Act

Prof. Dr.-Ing. Raimund Klinkner (Chair)

Matthias Hatschek
Gottfried Weippert
Julia Cuntz

The main purpose of the Committees is to prepare the topics to be discussed by the Supervisory Board in its entirety and the corresponding draft resolutions. The Supervisory Board continuously monitors the Management Board in its management of the Company's business and advises it on basic questions of business policy, strategic orientation and significant projects. The Supervisory Board performs an annual internal self-assessment, which is prepared and updated with external assistance. The results are discussed on the Supervisory Board and improvements implemented promptly.

In 2022, the Supervisory Board dealt in detail with the Group's further development based on the three pillars of digitisation, modularisation and sustainability as well as the business performance, earnings and financial condition of Koenig & Bauer AG and the Group. Business policy, the competitive situation, risk management, compliance, the internal control system, internal auditing, cybersecurity, the capital market strategy and the ESG roadmap were discussed at length. In addition to the Management Board's corporate and investment planning, remuneration matters were further items on the agenda of the Supervisory Board and the committees. All necessary resolutions were passed after detailed examination and intensive discussion.

Together with the Management Board, the Supervisory Board laid the foundations for long-term succession planning. The personnel development programme established at Koenig & Bauer is a modular system for the Group-wide advancement of employees that defines target-oriented methods for the various hierarchical levels. All personnel development initiatives have an international focus and incorporate all Group companies as well as the global sales and service units. Development assessments are used to appraise executives and junior staff externally. This is followed by an internal process in which the immediate line managers draw up competence profiles on the basis of the results gained. In an ensuing step, the managing directors and department heads evaluate the executives and junior staff from their business units in calibration workshops to gain a neutral view. A comprehensive competence matrix is available in a database for the group undergoing assessment. Within this group, high potentials are identified in the subsequent coordination rounds for each business unit attended by members of the Management Board and executive staff on the basis of criteria such as age, language skills, international profile, leadership capabilities, expertise (technical/commercial skills), career background, mobility/willingness to change and skills/potential. Thereupon, individual development plans with further training measures are drawn up. The goal is to fill management positions from the Company's own ranks in order to strengthen its attractiveness as an employer through systematic career development. Moreover, systematic talent management addresses the expectations of career-oriented high performers and thus also helps the Company to retain qualified employees.

The one-year junior management programme (JuMP) with participants aged between the early 20s and 30s aims to systematically prepare junior staff for management tasks. It commenced in 2021 with 22 junior managers in two groups. In addition to the technical learning modules, junior managers work on practical projects from everyday business life. This encourages international networking and allows them to develop innovative problem-solving approaches for business challenges. The programme expired for both groups in the course of 2022.

The age limit for the members of the Management Board and the Supervisory Board is specified in the Company's Articles of Association as follows: Appointees to the Management Board may be no older than 65 years as of the date of appointment, although an exception of up to 67 years is also possible. Only persons who have not yet reached the age of 67 at the time they are elected may be nominated for election to the Supervisory Board.

Würzburg, 17 March 2023

Prof. Dr.-Ing. Raimund Klinkner
Chairman of the Supervisory Board

Dr Andreas Pleßke
Chief Executive Officer (CEO)