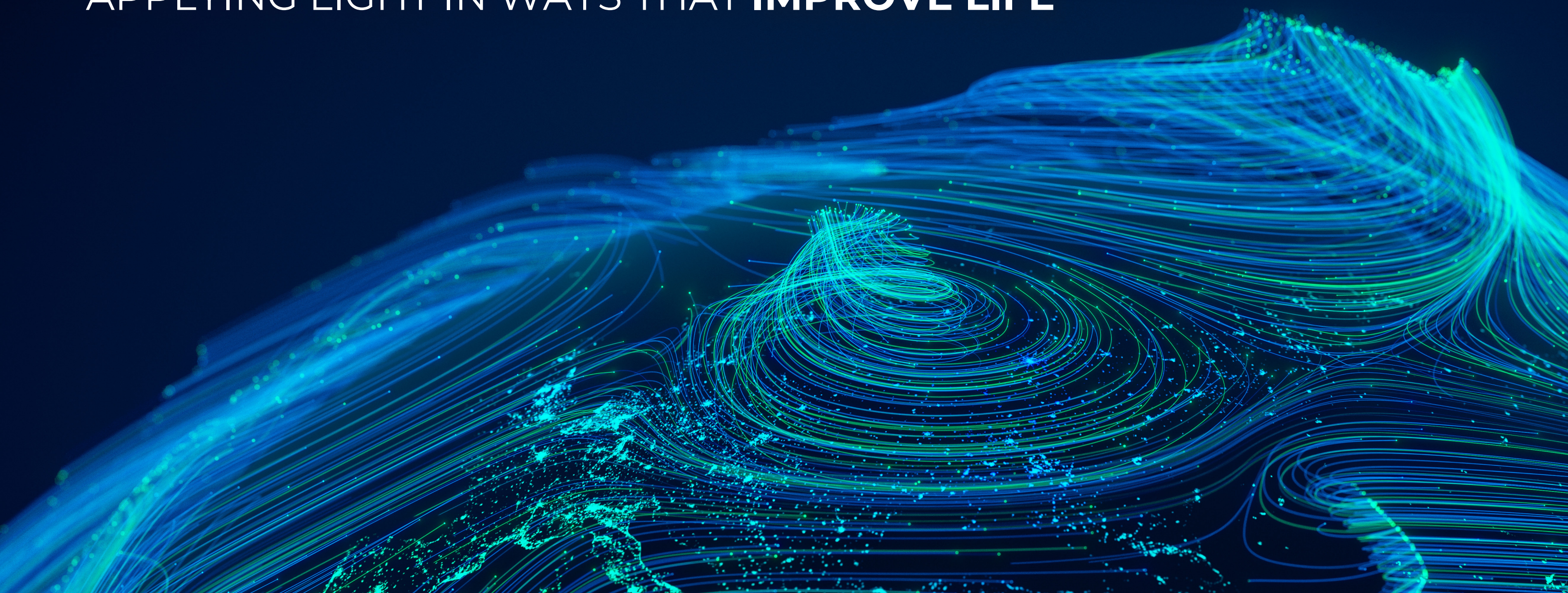


2025

SUSTAINABILITY REPORT

APPLYING LIGHT IN WAYS THAT **IMPROVE LIFE**



ABOUT THIS Report

This Sustainability Report covers the global business operations of IPG Photonics Corporation and its subsidiaries from January 1, 2024, to December 31, 2024. Unless noted otherwise, the reported data encompasses our manufacturing facilities and any other facility exceeding 50,000 square feet or one hundred employees. Newly acquired entities are included once they are able to provide data meeting applicable reporting standards. Data for assets retired during the reporting period is also excluded, except where specifically noted. Throughout this report, “we,” “us,” “our,” and “IPG” collectively refer to IPG Photonics Corporation and its subsidiaries.

This report’s preparation followed the requirements, recommendations, and methodologies of the Greenhouse Gas Protocol (GHG Protocol), Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and the Corporate Sustainability Reporting Directive (CSRD). The appendix provides an overview of the alignment between IPG’s efforts and the United Nations Sustainable Development Goals, as well as specific disclosures according to GRI (see GRI Index) and SASB (see SASB Content Index).

As required by these standards, we strive to present accurate and complete information. While we aim to provide comprehensive data, certain limitations may necessitate good-faith estimates as noted herein.

The information in this report does not form a part of our Annual Report or Proxy Statement. Financial information can be found in IPG’s 2024 Annual Report (Form 10-K), 2025 Proxy Statement and Investor Guidebook.

Please send any questions or comments about this report to:

CSR@IPGPhotonics.com

IPG Photonics Corporation
ATTN: Corporate Sustainability Report
377 Simarano Drive,
Marlborough, MA 01752

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A message from our CEO

Dear Stakeholders,

I am pleased to share IPG's 2025 Sustainability Report with you. Sustainability is not just a goal for us—it is woven into how we innovate, operate, and collaborate with our customers. This report reflects our ongoing efforts in environmental responsibility, social consciousness, and strong corporate governance, as well as our vision for the future.

At IPG, we do not see sustainability as an obligation—we see it as an opportunity. We challenge ourselves to reduce energy consumption, shrink our environmental footprint, and help our customers achieve their own sustainability goals. Our fiber laser technology is built for efficiency and productivity, offering smarter, cleaner alternatives to traditional manufacturing methods.

Our solutions are making a real impact. Our fiber laser cutting and welding systems help customers use less energy while eliminating harmful fumes from manufacturing. Our laser-based cleaning technology removes the need for toxic chemicals in industrial processes, making workplaces safer and more sustainable.

And as electric vehicles become the future of transportation, our innovations are enabling more efficient and reliable battery production, helping manufacturers scale up while staying environmentally responsible.

As sustainability becomes a top priority for industries worldwide, our ECO lasers are leading the way to help manufacturers cut costs, reduce their environmental impact, and minimize energy and water usage in their operations. These are not just incremental improvements—they're game changers for companies looking to build a more sustainable future.

One powerful example comes from our collaboration with Whirlpool Corporation. By replacing traditional thermal ovens with compact, room-temperature laser curing systems for powder coating,

Whirlpool has significantly reduced energy consumption, decreased greenhouse gas ("GHG") emissions, and increased production throughput. This shift not only supports their decarbonization goals but also represents a major step forward in appliance finishing efficiency and sustainability.

At the Pico Veleta Observatory in Spain, an IPG cleanLASER system was instrumental in the delicate task of cleaning and refurbishing the surface of a 30-meter radio telescope—without damaging its ultra-precise structure. Unlike traditional methods that risked deformation or chemical damage, our laser technology enabled precise, non-invasive cleaning that maintained the telescope's integrity while eliminating the need for harmful chemicals or abrasive processes. It is a striking demonstration of how our solutions can deliver exceptional performance even in the most sensitive and high-stakes environments. This application showcases how IPG's eco-friendly laser cleaning technology can make even the most sensitive refurbishment processes more sustainable and effective.

We also know that transparency matters. This year, we have strengthened our ESG reporting to align with evolving global standards, especially in Europe. We have also invested in new ESG reporting tools to provide more detailed insights into our sustainability progress, giving stakeholders a clearer view of the impact we are making. And with our German facility now ISO 14001 certified, we are reinforcing our commitment to responsible environmental practices across our operations.

Sustainability isn't just a checkbox for us, it is a commitment to continuous improvement and bold innovation. We are proud of the progress we have made, but we are even more excited about what's ahead. By applying light in transformative ways, we are helping our customers work smarter, cleaner, and more sustainably—while shaping a better future for all of us.

Mark M. Gitin, Ph.D.
CEO

2024 *SNAPSHOT*



\$977 MILLION
REVENUE



> 32,000
DEVICES SHIPPED



~4,700
EMPLOYEES



5,800+
CUSTOMERS

Our Mission

Innovative laser solutions
making the world a better place

IPG operates around three central pillars of corporate ethics: environment, governance and communities. IPG values our diverse and highly talented employees who allow us to develop new solutions and provide the best possible service to our global customer base.

IPG is committed to being transparent when interacting with our customers, employees, suppliers and stockholders. We are dedicated to supporting local organizations and conducting business with the highest integrity.

2024 Recognition

- Laser Focus World named IPG Photonics Corporation as 2024 Innovators Awards honoree
- The User Satisfaction Brand Award by Metalworking Magazine
- IPG has been recognized as an industry leader in sustainability by a leading rating agency
- MSCI upgraded its ESG ratings assessment of IPG, recognizing our improvements

Our Vision

Working together to apply
light in ways that improve life

IPG is revolutionizing the laser industry as the pioneering developer and leading producer of fiber lasers and amplifiers. We aspire to work together with our employees and customers to apply light in ways that improve life. Our products have displaced traditional technologies and are creating new laser applications. Our vertical integration approach to product manufacturing means that we produce most of the critical components that go into our lasers, enabling us to better meet customer requirements, accelerate product development, drive down costs and dramatically reduce our carbon footprint.



1990
FOUNDED



Nasdaq IPGP
STOCK TICKER



Marlborough, MA
HEADQUARTERS



20+
COUNTRIES

2024 Revenue by Principal Regions

27%
North America

29%
Europe

19%
ROW

25%
China

Sustainable Approach to Operations

DRIVING INNOVATION

Our high-power fiber lasers enable greater precision, high speed processing, more flexible production methods and improved throughput. IPG fiber lasers provide superior performance and usability by combining the advantages of semiconductor diodes with high amplification and precise beam qualities delivered through our unique optical fibers. IPG has the broadest portfolio of fiber lasers that are industry-leading in their compactness, reliability, and low service cost. Our vertical integration business model, material processing expertise and 850 plus patents enable superior quality and competitive advantages.

ENVIRONMENTAL IMPACT AND RECYCLING

IPG pioneered high power fiber lasers for industrial applications. Fiber lasers are 5 to 20 times more energy efficient than other laser technologies such as CO₂ or Nd:YAG lasers, and can often improve process speeds, which compounds customer energy savings. IPG supports the modern industrial era by manufacturing energy-efficient products that require less power from fossil fuels. Unlike gas and crystal lasers, the entirely solid-state optical architectures of our novel fiber lasers do not require consumables, such as gases, lamps and optical components. We warrant most lasers for three years. As industrial equipment, the useful lives of our products are longer than the warranty, in many cases up to ten years. We also provide service and maintenance to extend the lives of our products and prevent them from going to landfills due to recycling programs. We repair, refurbish or recycle pump modules depending upon their age and condition. IPG has a metal recovery program to reclaim a variety of materials and precious metals during our production process. Every year, IPG saves hundreds of tons of materials, including aluminum, copper, steel and mixed brass.

VERTICAL INTEGRATION REDUCING ENVIRONMENTAL IMPACTS

At IPG, we manufacture many components for our products in-house. These include advanced opto-electronic items such as semiconductor diodes, specialty optical fibers and components, fiber blocks, optical delivery cables, beam switches, process heads and circuit boards, as well as mechanical parts such as metal cabinets and heat sinks for our pump modules and certain electrical items. Our vertical integration produces substantial environmental benefits because our in-house supply chain reduces packaging and related waste as well as transportation emissions.

RELIABILITY REDEFINED

Our customers require reliability from our lasers and amplifiers in mission-critical and safety-critical applications. Our confidence in meeting these demands stems from our rigorous testing and quality control. Key components endure hundreds of hours of testing and burn-in, ensuring only the best pass our stringent criteria. IPG Photonics' ISO 9001:2015 certification underscores our commitment to quality, assuring customers that our business processes are well-documented and aligned with the high standards of leading global enterprises.

Stakeholder Engagement and Materiality

IPG engages with key stakeholders to communicate our efforts to protect the planet and to secure a safe working environment. We also continue to evaluate the primary concerns of our employees, customers and stockholders to ensure that our sustainability strategy is consistently updated to prioritize industry-specific and global material issues.

STAKEHOLDERS	HOW WE ENGAGE
Employees	<ul style="list-style-type: none"> Quarterly "Town-Hall" reports on company performance and plans Q&A sessions with employees worldwide Employee engagement surveys Regular training (including Code of Business Conduct, Employee Health & Safety (EHS) and IT security) Site events, team building, health and wellness fairs
Customers	<ul style="list-style-type: none"> Data sharing via RBA Online, EcoVadis, Supplier Assurance, CDP, and other platforms Meetings and other events as required
Suppliers	<ul style="list-style-type: none"> Supplier surveys Supplier sustainability due diligence assessments Meetings and other events as required
Stockholders and Investors	<ul style="list-style-type: none"> Quarterly financial disclosures Periodic conference calls Annual stockholder meetings Engagement with stockholders to solicit feedback
Regulatory Agencies	<ul style="list-style-type: none"> Regulatory inspections Permits and reporting Participation in sustainability ratings
Local Communities and Universities	<ul style="list-style-type: none"> Internships, scholarships and awards Environmental and social projects in local communities
Engagement Methods Applicable to All Stakeholders	<ul style="list-style-type: none"> Anonymous whistleblower hotline to guarantee confidentiality and non-retaliation Materiality assessment surveys Annual sustainability report

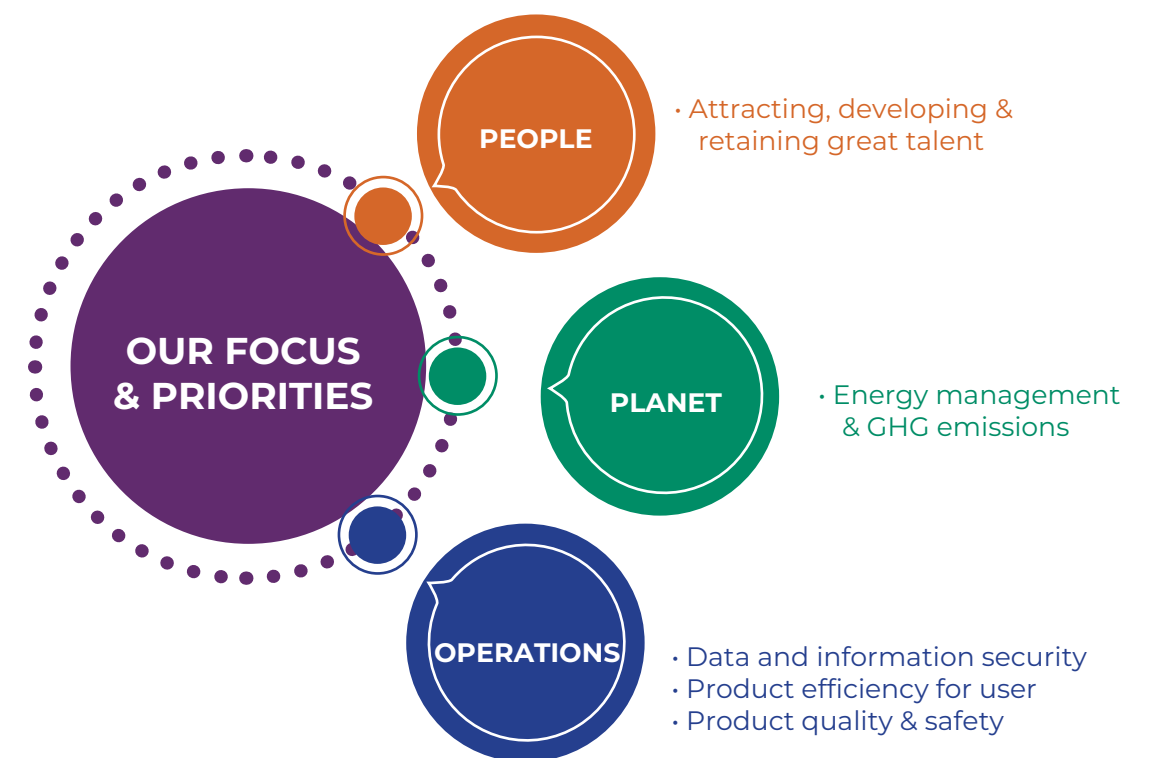
Our executive management team and our Board of Directors are engaged in our sustainability strategy and influence the direction of our agenda. IPG recognizes the value of transparency and accountability to our various stakeholders. Our strategy was developed by working with the disclosure requirements, recommendations and guidelines of:

- **Greenhouse Gas Protocol (GHG Protocol)**
- **Global Reporting Initiative (GRI)**
- **Sustainability Accounting Standards Board (SASB)**
- **United Nations Sustainable Development Goals (UN SDGs)**
- **Corporate Sustainability Reporting Directive (CSRD)**

To understand the importance of ESG issues for our stakeholders and our business, IPG conducted its first materiality assessment in 2021. This involved a thorough process of stakeholder identification (internal and external), peer benchmarking, analysis of reporting frameworks, and an internal survey of externally-facing functions. Through internal and external reviews, we identified, evaluated, and prioritized our key impacts.

Recognizing substantial structural and operational changes in recent years and aiming for alignment with updated reporting standards, IPG commenced a double materiality assessment in late 2024. This assessment adheres to the guidelines of the Corporate Sustainability Reporting Directive and considers the updated Global Reporting Initiative Sustainability Reporting Standards (GRI Standards 2021). We plan to provide more detail regarding this assessment in our 2026 Sustainability Report.

Material Topics (based on 2021 materiality assessment)



Our Planet



- Environmental Highlights
- Environmental Management
- Fiber Lasers vs. Climate Change
- Fiber Lasers for Sustainable Products
- Energy and Emissions
- Waste Management
- Water Stewardship

Environmental Highlights



Understanding and reporting data

- Adopted a robust ESG data collection platform to enhance data quality and improve insights
- Updated our data collection practices, which allowed us to reevaluate our water, waste, and energy consumption and to provide more detailed information on emissions
- Reported to CDP for the first time



Sustainability Performance

- Total Scope 1 and 2 emissions were 19% lower compared to 2020 baseline
- Recovered approximately 3,900 metric tons of metals since 2015, with 440 metric tons recovered in 2024 alone
- Diverted approximately 19% of hazardous waste generated in 2024 from landfills
- Diverted approximately 42% of solid non-hazardous waste generated in 2024 from landfills

Environmental Management

IPG's efforts are guided by its global [Environmental Policy](#). IPG is committed to sustainability, driven by its core values of innovation, accountability, and transparency. Integrating safety, reliability, and sustainability into its operations and product development, IPG views it as a responsibility to leverage its unique innovation capabilities to address societal and environmental challenges. The company sees its purpose in sustainability as providing cutting-edge products that enable its customers and society as a whole to achieve sustainable energy consumption.

Our commitment is further demonstrated through our dedication to environmental protection, employee health and safety, and the well-being of our operating communities, alongside the conservation of natural resources for future generations and the minimization of our operational and product-related environmental footprint through sustainable practices.

Fiber Lasers vs. Climate Change

IPG is committed to advancing society with our highly unique innovations and solutions. We strive to protect the planet by manufacturing generations of products with long life cycles that are more energy-efficient, compact and light. There is a rising demand for laser power worldwide. IPG is actively accommodating this growing demand while shrinking the form factors of our high-power lasers to conserve resources, floor space and operating costs for our customers. At the same time, we continually increase the efficiency of our lasers, which conserves energy and reduces the water required to cool them. IPG aspires to ensure that its products reach the maximum reasonably achievable plug efficiency.

ACQUISITION OF CLEANLASER

IPG expanded its portfolio of sustainable technologies with the strategic acquisition of Clean-Lasersysteme GmbH ("cleanLASER") in December 2024, following 25 years of partnership between our companies. CleanLASER's laser cleaning technology delivers a powerful combination of efficiency and environmental responsibility. When cleaning with laser radiation, dirt and cover layers are removed in an environmentally-friendly way utilizing only focused light and eliminating the need for harsh chemicals and abrasives, resulting in a cleaner, and more sustainable process. This non-contact method significantly reduces waste and minimizes resource consumption, with energy savings reaching up to 87%. This means that valuable resources can be saved to a considerable extent both in production and in the use of laser technology.

CUSTOMER SUSTAINABILITY APPLICATIONS

We recognize that our responsibility extends beyond our own operations to encompass the impact of our products and services on our customers' sustainability journeys. We are committed to developing solutions that empower our customers to achieve their environmental goals, specifically by reducing their carbon footprint and promoting resource efficiency. Our products impact sustainability through:

Energy Efficiency: We design our products for optimal energy performance, significantly reducing CO₂ emissions associated with energy consumption. Our fiber lasers, for example, demonstrate significantly higher energy efficiency compared to traditional lasers, leading to substantial energy savings for our customers. Our products are also among the leaders in efficiency in the industry.

Resource Effectiveness: We engineer our products to allow customers to achieve efficient resource utilization and minimize waste.

Extended Product Lifespan & Service: We focus on increasing the useful life of our products. This approach reduces the need for frequent equipment replacement, thereby minimizing emissions associated with the production and transportation of new equipment and promoting efficient resource utilization. In addition to technological progress, IPG strives to help our customers use our lasers in a way that promotes responsible consumption.

FIBER LASERS & ELECTRICAL EFFICIENCY

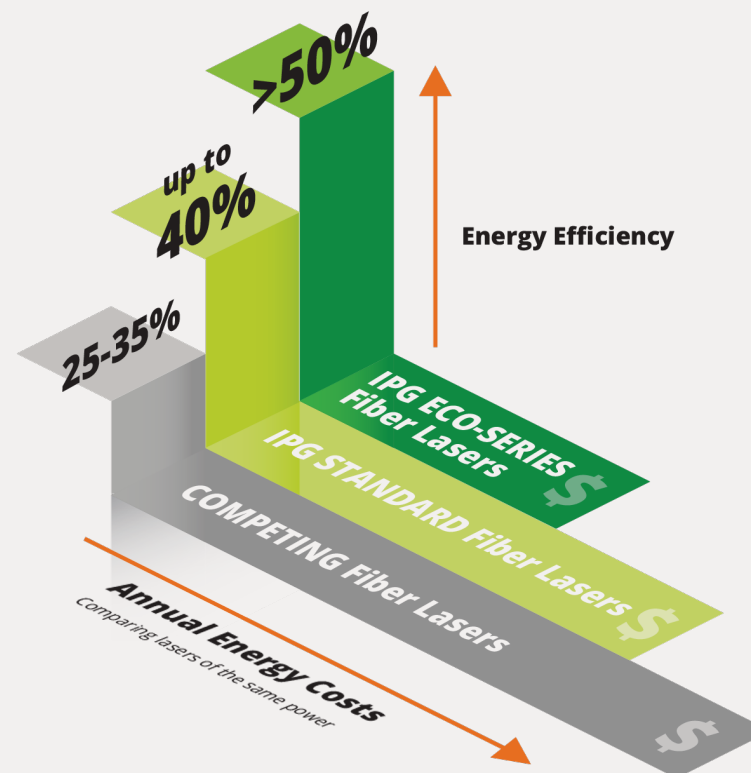
Competing fiber lasers typically operate at energy efficiency levels ranging from **25% to 35%**. These efficiencies offer an improvement over legacy lasers but fall short of IPG's technology.

Standard IPG lasers typically start at impressive energy efficiencies up to **40%** or higher, representing a dramatic reduction in power consumption for applications with higher duty cycles.

IPG ECO series high-efficiency lasers are purpose-built to take an already efficient design a step further, achieving energy efficiencies that exceed **50%**. This efficiency makes our ECO series lasers the clear leader in laser energy conservation.

From diodes to power supplies, full control over the design and manufacturing of the components that power IPG lasers has enabled our laser scientists to iterate and perfect a proprietary, high-efficiency design.

Rigorous quality control means that only the most efficient diodes make it into each laser and a unique single-emitter architecture ensures laser operation at the ideal current to maximize electrical efficiency.



REDUCE
Energy Use

IPG ECO fiber lasers are **>50% energy efficient**, requiring less than half the electricity of alternative lasers.



SAVE
The Planet

IPG high-efficiency lasers enable manufacturers to **reduce CO₂** and meet sustainability regulations.



INCREASE
ROI

IPG ECO fiber lasers pay for themselves with more reliable lasting power and less energy consumed.

POWDER COAT CURING WITH LASERS: A SUSTAINABLE HEATING SOLUTION FOR WHIRLPOOL CORPORATION

IPG's product line provides sustainable solutions for applications like powder coat curing. These products offer an energy-efficient heating solution that empowers companies like Whirlpool to advance their responsible manufacturing practices and reduce their environmental impact.

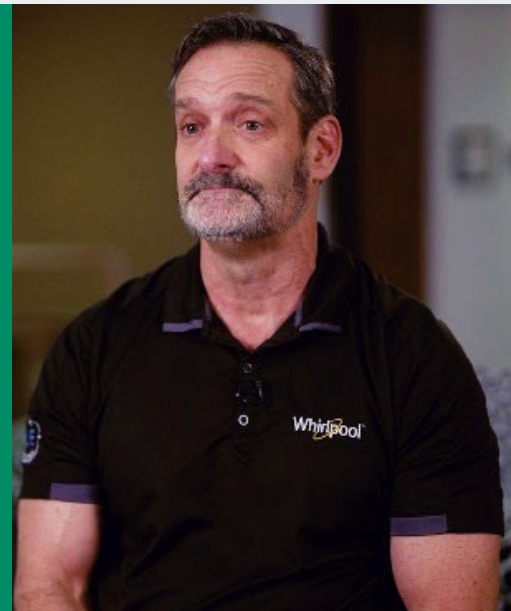
Like many liquid coatings systems, powder coatings have traditionally been cured in convection ovens where the curing time is lengthy to reach the target curing temperature between 130 – 180 °C. Much of the energy consumed by convection ovens heat the surroundings, meaning minutes of pre-heating are required to reach the target temperature before curing can begin. The ovens are typically five meters or more in length.

Laser curing represents an opportunity to reduce the energy required to cure coating in an industrial setting as well as associated footprint. Given the strong value proposition and sustainability of laser curing of powder coatings, industrial manufacturing companies such as Whirlpool have adopted laser curing and realized curing times up to **10X** faster than convection ovens, while dramatically reducing the associated energy consumed. Whirlpool is applying laser curing to flatter components like doors and side panels, where precision and efficiency can be readily optimized.



“A key Whirlpool initiative is to reduce our overall carbon footprint and decarbonizing our manufacturing operations. Traditional curing ovens with large burners and sprawling floor space requirements contribute significantly to energy consumption and CO₂ emissions. By replacing thermal ovens with room-temperature laser curing cells, we anticipate substantial reductions. We believe laser curing represents a true step change in appliance finishing, paving the way for a more sustainable and efficient future.”

Scot Blommel,
Global Sustainability Sr. Manager, Whirlpool Corporation



LASER CLEANING AND REFURBISHMENT: ECO-FRIENDLY SURFACE PREPARATION ON A RADIO TELESCOPE

A prime example of cleanLASER's effectiveness is its successful refurbishment of telescopes for the Institute for Millimeter Radio Astronomy (IRAM). This project demonstrated the technology's unique ability to deliver sustainable and environmentally friendly results where conventional methods would fail.

After nearly forty years of operation in the harsh high-altitude environment of the Pico Veleta Observatory at an altitude of 2,850 meters, the titanium dioxide paint coating on the primary reflector of the 30-meter telescope had become severely damaged, affecting the observatory's daytime operation and image quality. It became urgently necessary to renew the surface coating. The telescope is one of the largest and most sensitive millimeter-wavelength telescopes in the world with a 420-panel tray area set to an accuracy of 55 micrometers.

The first critical step was to remove the existing paint and primer layer without deteriorating the exquisite precision of the primary surface. Mechanical cleaning could damage the aluminum surface, while chemical cleaning was considered too risky due to the potential for damaging the bonded honeycomb structure of the panels. IRAM engaged with Glatt GmbH to perform the large-scale task of cleaning the telescope using an IPG cleanLASER solution. For this demanding project, Glatt used a 1 kW laser cleaner with a 50-meter cable to clean the 700 m² surface. The long 50-meter cable of the laser cleaner allowed stripping directly on the telescope without having to remove any plates.



“Only lasers have made this refurbishment possible and allowed the process to be transferred to other telescopes worldwide.”

Dr. Michael Grimann,
Head of Technology at Glatt

Dr. Michael Grimann, Head of Technology at Glatt stated: “Conventional blasting media cannot be used, as the thin aluminum plates would be bent by the medium and pressure, and abrasive processes cannot be used as the precision of the telescope is in the micrometer range and abrasion would interfere with the precision rendering the telescope unusable. Lasers enable sustainable refurbishment without removal and without deformation of the panels, so that the telescope can continue to be used with the same function over the original warranty period. Laser cleaning imparts minimal heat input into the substrate and enables high-speed application rates.”

Fiber Lasers for Sustainable Products

Our projects are fueling the growth of the renewable energy sector and environmentally friendly industries, supporting the establishment of a low-carbon society. Our energy-efficient products are vital tools for sectors such as solar and electric vehicles, which are leading the transition to a more ecologically mindful world.

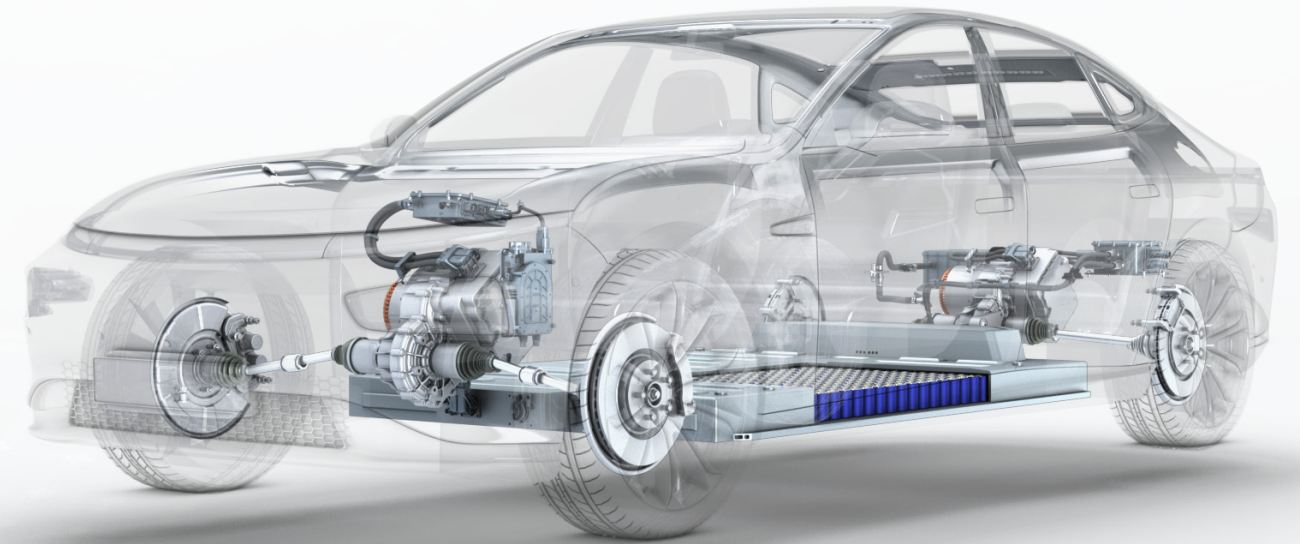
FIBER LASERS OF CHOICE FOR SOLAR CELLS

IPG fiber lasers are essential for manufacturing products across the renewable energy sector, including the production of photovoltaic cells. Fiber lasers advance photovoltaic cell efficiency as well as decrease manufacturing times and increase yields.

Photovoltaic manufacturers benefit from IPG's extensive application knowledge and low-cost fiber lasers. IPG green wavelength fiber lasers are critical to improving the efficiency of solar cells. These lasers along with our near-infrared and ultraviolet fiber lasers, reduce photovoltaic manufacturing costs since laser-based processes are significantly more efficient, precise and faster than conventional processes due to high energy efficiency, excellent beam quality for tight process control and fast, high repetition rate energy pulses. Advancing the production of solar panels is an integral component of our strategy to help society reduce fossil fuel usage and transition towards sustainable energy sources.

FIBER LASERS FOR LED MANUFACTURING

The United Nations Environment Programme (UNEP) [reports](#) that global electricity consumption for lighting represents approximately 20% of global electricity use and creates approximately 6% of worldwide carbon dioxide equivalent ("CO₂e") emissions. Light-emitting diode (LED) technology represents a notably more environmentally friendly alternative, producing light with [up to 90%](#) greater efficiency compared to incandescent sources. Laser processing has become the established industry standard for silicon wafer fabrication in high-brightness LED production. Laser use in wafer manufacturing offers a considerable improvement in yield and throughput compared to traditional mechanical scribing by enabling closer spacing of LED devices. Furthermore, laser processing contributes to the enhanced long-term reliability of the manufactured LED components. The application of advanced fiber laser technology in these manufacturing processes further optimizes efficiency and precision, thereby supporting the broader societal transition towards energy-efficient LED lighting and contributing to the reduction of global greenhouse gas emissions.



FIBER LASERS OF CHOICE FOR E-MOBILITY MANUFACTURING

Energy and transportation agencies around the world agree that adoption of electric and hybrid vehicles can have a positive environmental effect by reducing tailpipe emissions, promoting energy efficiency, and decreasing noise pollution, ultimately leading to cleaner air. These effects are magnified when low-polluting energy sources are used to produce electricity production. Additionally, the advanced batteries in electric vehicles are designed for extended life, which further advances a circular economy.

One of the biggest obstacle to worldwide mass adoption of electric vehicles (EV) is the high cost of automotive battery manufacturing. Fully automated IPG fiber laser welding solutions resolve challenges of EV battery welding quality and throughput. Fiber laser welding is more than 10x faster than traditional battery welding, enabling cost-efficient mass production of fuel cells. Covering the range of battery production steps from processing of electrode films through welding the structural components of the battery trays, IPG's technical leadership in the area of laser-material interactions allows us to provide industry-leading guidance and support to automotive manufacturers and their chosen production line integrators. IPG is continually working to optimize laser materials processing capabilities to keep customers ahead of rapidly evolving e-mobility trends.

IPG E-Mobility systems are specifically configured for manufacturing of electric vehicle batteries and power-train components as well as other energy storage applications. In addition to using industry-leading hardware, these systems embody IPG's extensive knowledge of laser processing technology and offer both turnkey implementation for out of the box part production and custom-built solutions for optimized full scale production, including:



Battery
Welding R&D
Workstation

Battery Module
Welding Systems

Robotic
Workstations

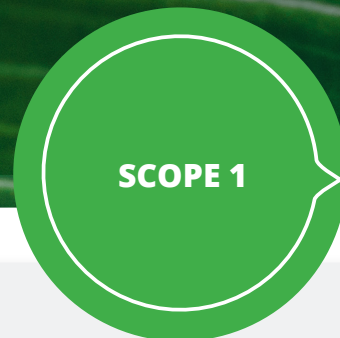
Fully-automated
EV Battery
Manufacturing
Lines

Energy and Emissions

IPG is dedicated to reducing our environmental impact by tracking emissions and increasing the sustainability of our operations. We consistently invest in increasing the efficiency of our operations, reducing both the cost of our products to our customers and the environmental costs of manufacturing. We have implemented certain energy efficient measures, such as co-generation and heat recovery, to optimize our Scope 1 greenhouse gas (GHG) emissions and reduce Scope 2 emissions.

We have enhanced our data management collection with a robust third-party ESG data collection platform. This change allows us to collect more detailed data, better track effectiveness of sustainability initiatives and align our reporting with the requirements of CSRD and other standards.

We also plan to update our existing energy and emissions goals and targets in connection with our improved processes for collecting and managing ESG data.



Our Scope 1 emissions are generated primarily by:

- Energy Generation
- Fuels Burned in Operation
- Fleet Vehicles



Our Scope 2 emissions are generated primarily by:

- Grid Electricity
- Purchased Heat



We aim to review our approach to Scope 3 reporting after conclusion of the current materiality assessment

Although our direct operational emissions are not yet significantly offset, their impact must be considered within the context of the company's foundational role as a pioneer in fiber laser technology. IPG has been instrumental in introducing and facilitating the widespread adoption of fiber lasers across various manufacturing sectors. By our internal estimates, the cumulative greenhouse gas emissions avoided by our customers through the adoption and utilization of our fiber lasers (when compared to conventional laser technologies and traditional welding and cleaning methods) significantly exceed our total emissions since our inception.

IPG believes that environmentally sound practices begin at the ground level. We have implemented several programs to conserve energy consumption and natural resource usage by our buildings and equipment.

The insulation in our new construction exceeds building codes by up to **25%**

We are replacing traditional light fixtures with **LED** light bulbs

We use water saving fixtures in our new construction projects

We use Variable Frequency Drives (**VFD**) to reduce energy use by our equipment

We also updated UV lights used in manufacturing process at our main facilities in the US and Germany to LED-based UV lights.

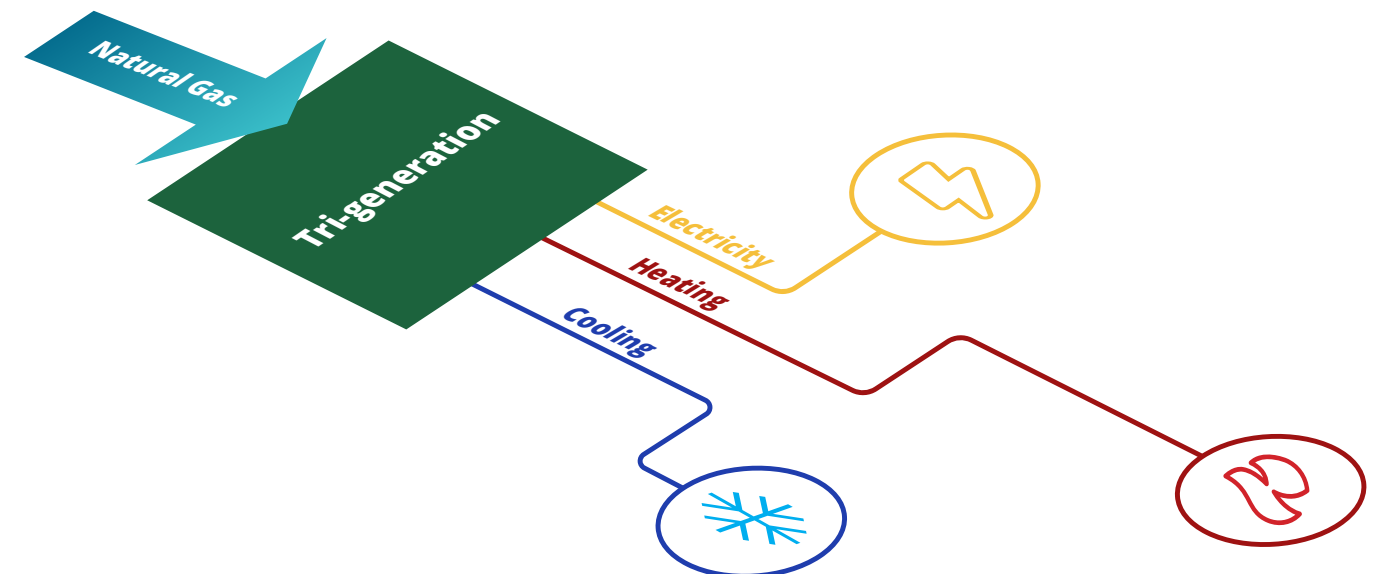
Our major German facility has a heat recovery system used to reclaim waste heat from operations and appliances to reuse it, boosting efficiency and reducing energy consumption.

In 2023, we implemented free cooling technology at our Oxford, MA facilities. This technology reduces our use of chillers for cooling and accordingly our consumption of electricity and water.

ON SITE ENERGY GENERATION (TRI-GENERATION)

Tri-generation (TriGen) is a clean and highly productive simultaneous process of power, heating and cooling generation from only one fuel type. By using waste heat recovery technology to capture a significant proportion of wasted heat, IPG is saving energy and protecting the environment from additional air pollutants.

Currently, our facilities in Oxford, MA, have approximately 4.25 MW of combined heat, cooling and power (CHP) TriGen equipment and our Italian facility has 0.25 MW of TriGen equipment. This equipment helped to substantially reduce our electrical demand.



ENERGY AND EMISSION METRICS

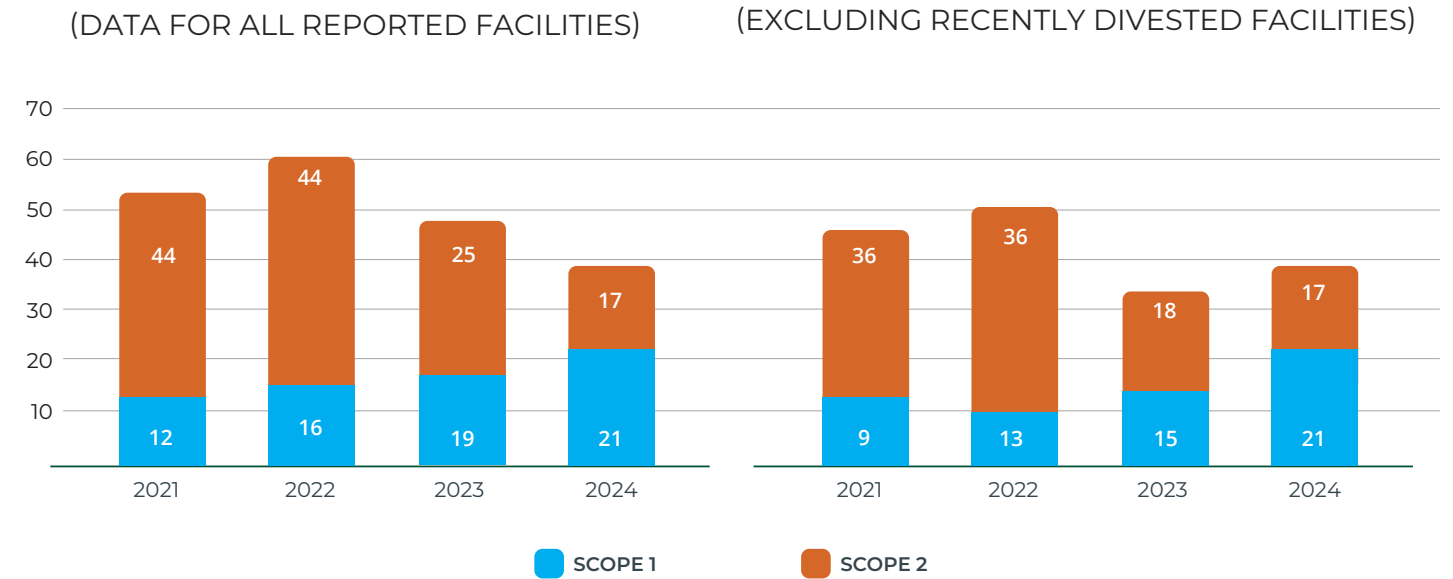
Updated methods for collecting and calculating data provided us with access to more detailed information. This allows us to present revised metrics that offer a clearer understanding of IPG's environmental performance. When reviewing the below, please note the following changes:

- **Scope 1 emissions** have been recalculated using the most accurate location-specific or supplier-specific emission factors available to us. Previously, we used average U.S. emission factors from the U.S. Environmental Protection Agency (US EPA) for all locations.
- **Scope 2 emissions** now includes fuel used by certain fleet vehicles at our major manufacturing facilities. We have also updated the emission factors for Scope 2 using the same location-specific or supplier-specific principle as for Scope 1. Additionally, we have included data from certain operational emission sources that were not collected previously.

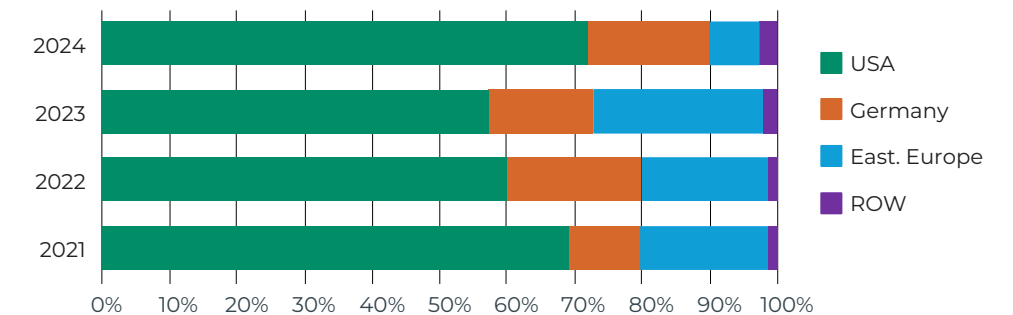
ENERGY CONSUMPTION ⁽ⁱ⁾				
	2021	2022	2023	2024
Total energy usage (MWh)	190,133	196,003	192,530	171,638
Grid Electricity usage (MWh)	115,286	100,515	76,176	58,327
Purchased Heat (MWh)	13,923	12,901	13,023	0
Fuel Consumption (MWh)	60,924	82,586	103,331	113,311
Natural Gas usage (MWh)	58,133	78,487	98,025	109,894
Other (MWh)	2,791	4,099	5,306	3,417
Energy Intensity (MWh / mUSD)⁽ⁱⁱ⁾	130	137	150	176
Energy Intensity (MWh / kW LPP)⁽ⁱⁱⁱ⁾	3.04	3.52	4.12	5.80
GHG EMISSIONS ⁽ⁱ⁾				
Scope 1 & Scope 2 (tCO₂e)	55,592	59,991	44,526	37,814
Scope 1 (tCO ₂ e)	12,009	15,902	19,230	20,877
Scope 2 (tCO ₂ e)	43,583	44,089	25,296	16,927
Carbon Intensity (MWh / mUSD)⁽ⁱⁱ⁾	38.05	41.97	34.60	38.70
Carbon Intensity (MWh / kW LPP)⁽ⁱⁱⁱ⁾	0.89	1.08	0.95	1.28

Footnotes:
 (i) Data is reported for our global manufacturing facilities as well as facilities over 50,000 square feet or more than 100 employees. Data for 2023 and 2024 includes production facilities in Poland and Mexico. 2024 data does not include our former Russian subsidiary or cleanLASER. IPG applies the best available location-specific or supplier-specific emission factors. Where location-specific data is unavailable, IPG applies average U.S. emission factors from the US EPA.

GHG EMISSION, THOUSAND tCO₂e⁽ⁱ⁾



GHG EMISSIONS BY COUNTRY⁽ⁱ⁾



In 2024, our total GHG emissions were 19% lower than the 2020 baseline and 32% lower than in 2021^(iv). A significant portion of our Scope 1 and 2 emissions is attributed to purchased grid electricity and natural gas consumption. Over the past four years, we have observed a decrease in Scope 2 emissions and an increase in Scope 1 emissions. The rise in Scope 1 is partly due to the implementation of on-site self-generation using a TriGen system, which runs on natural gas. Our US and German facilities account for roughly one-half and one-quarter, respectively, of our total facility square footage, with emissions allocated proportionally. The higher emissions intensity in our operations in the U.S. as compared to in Germany is primarily due to the differences between the national energy grids. The electrical grid of Germany utilizes approximately three times more renewable energy than the grid in the U.S.

(ii) Intensity compares energy usage to net sales in applicable year.

(iii) LPP means laser power produced in a year (representative of manufacturing capacity used in a year).

(iv) The reduction of greenhouse gas emission compared to 2020 is partially attributable to divestment of our former Russian subsidiary and reduction of laser power production numbers.

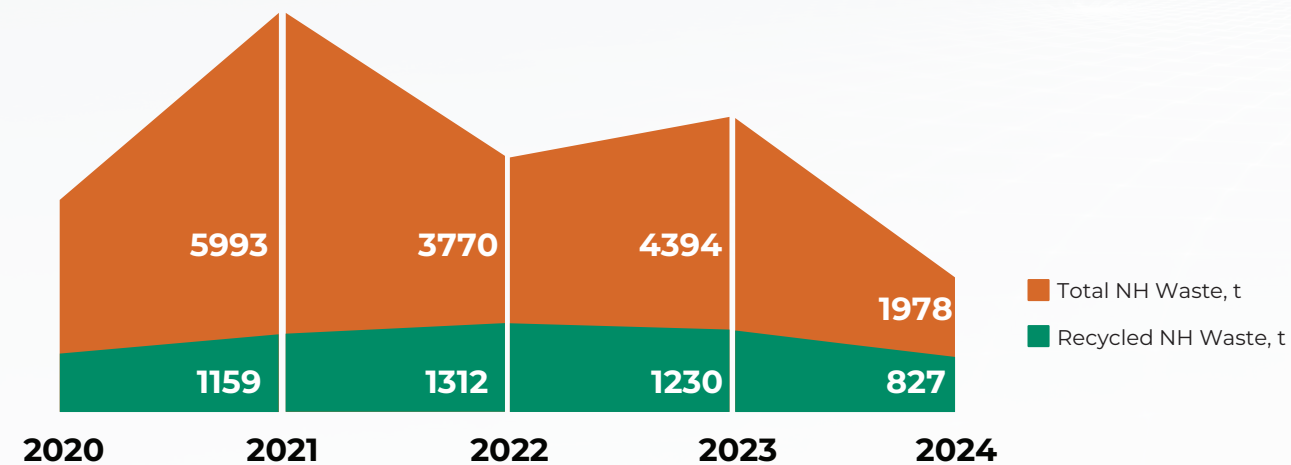
Waste Management

IPG is committed to responsible waste management practices that prioritize the reduction, reuse, recycling, and safe disposal of hazardous and non-hazardous (NH Waste) waste streams. Our approach is guided by the principles of a circular economy, and we strive to reduce waste generation at its source and maximize the recovery of valuable resources. We adhere to applicable local, state, and federal regulations concerning the generation, treatment, storage, and transportation of waste, particularly hazardous waste. To ensure proper management across our operations, IPG partners with third-party vendors who share our commitment to environmental stewardship.

IPG sites are empowered and responsible for actively seeking opportunities to minimize waste through source reduction, reuse initiatives, and recycling programs, as outlined in our Environmental Policy. We are dedicated to fostering a culture of environmental responsibility by ensuring that IPG employees are informed, engaged, and actively contributing to our mission of minimizing waste generation.

Our systematic approach includes rigorous waste separation and careful monitoring to ensure the effectiveness of our waste management strategies and safety of our employees and local communities. We maintain separate waste streams to minimize the amount of landfill waste we produce. At main production facilities, we also utilize waste compactors to minimize the number of waste pickups and, consequently, GHG emissions related to waste transportation.

NH WASTE GENERATION & DIVERSION, METRIC TON (t)⁽ⁱ⁾⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾



Footnotes:
 (i) In accordance with requirements of GRI Disclosure 306-3, the NH Waste does not include non-hazardous wastewater.

WASTE GENERATED ⁽ⁱ⁾⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾				
	2021	2022	2023	2024
Total Waste generated (t)	6,671	4,685	5,010	2,334
Total Waste Intensity (t/mUSD)	4.57	3.28	3.89	2.39
Non-Hazardous Waste (t)	5,993	3,770	4,394	1,978
Non-Hazardous Waste (%)	90%	80%	88%	85%
Hazardous Waste (t)	678	915	616	356
Hazardous Waste (%)	10%	20%	12%	15%
WASTE RECYCLED ^{(i)(iii)(iv)}				
Total Recycled (t)	1,164	1,318	1,235	895
Total Recycled (%)	17%	28%	25%	38%
Non-Hazardous Waste Recycled (t)	1,159	1,312	1,230	827
Non-Hazardous Waste Recycled (%)	19%	35%	28%	42%
Hazardous Waste Recycled (t)	-	-	-	68
Hazardous Waste Recycled (%)	-	-	-	19%

Stronger engagement with waste disposal vendors of our manufacturing facilities allowed us to obtain more detailed information for 2024, as well as clarify historical data, and in particular:

- We investigated waste disposal methods and clarified amounts of waste diverted from landfill.
- We identified the actual weight of waste for certain facilities that previously was estimated based on volume and composition.
- We found out that previously reported hazardous waste included non-hazardous wastewater, that is collected under the same procedures and handled by the same vendors as hazardous waste, due to local regulations. However, this wastewater is not considered hazardous under local regulations and was excluded from calculation in 2024.

It is our aspiration to continuously improve transparency and clarity of the reported information. We aim to continue our work with waste disposal vendors to be able to collect and report detailed data on waste by type of treatment.

(ii) We continue to work with waste disposal vendors and lessors to establish processes for data collection and reporting. Data reported for 2021-2023 was adjusted to include additional information from waste disposal vendors for our major manufacturing facilities, to adjust the reported waste numbers and to determine an additional amount of recycled waste.
 (iii) Recycled waste includes both waste recycled by the company onsite and the waste recycled by our vendors. However, we are working with vendors on obtaining more detailed information on waste treatment.

IPG continuously seeks ways to responsibly use of chemicals. As an example, IPG's facility in Oxford, MA reduced its monthly consumption of acetone, isopropyl and ethanol during 2022-2024 by approximately 75% as a part of a program to reduce the use of these chemicals.

RECLAMATION OF METALS

At IPG, environmental responsibility is deeply integrated into our operations, particularly in the management of waste and discarded parts. We understand the significant economic value of metals and the environmental impacts associated with their extraction through mining. To mitigate these impacts and recover valuable resources, we meticulously sort and segregate discarded materials for efficient recycling, diverting them from landfills. This proactive approach reduces the environmental burden of new mining and supports a circular economy within our industry, recognizing the vital contribution of recycling to the overall metals market.

We place particular emphasis on the recycling of precious metals like gold, given its rarity and economic significance. Notably, recycled sources provide about one-fourth of the global gold supply and offer a substantially lower environmental footprint by avoiding mining. Consequently, IPG has implemented certain procedures to reclaim gold from our discarded components where possible.

Our dedication to metal recovery is evidenced by the approximately 3,900 metric tons of metals reclaimed by IPG since 2015, including 440 metric tons in 2024 alone.

AIR QUALITY

Consistent with IPG's Environmental Policy, our manufacturing facilities utilize advanced technologies, including green hoods and gas abatement systems to prevent air pollution from production chemicals. We conduct regular monitoring of air emissions, and our manufacturing facilities systematically track and report pertinent emissions data to the relevant local regulatory authorities.



Water Stewardship

In line with our commitment to minimizing freshwater use, we are actively reducing our water consumption through the adoption of water-saving technologies.

We incorporate water-saving technologies in new construction and have upgraded fixtures in certain locations. Furthermore, we aim to optimize water usage for irrigation at facilities under our ownership or operational control, wherever feasible.

	2021	2022	2023	2024
Water Withdrawal (m³)	202,767	185,926	143,439	110,981

We require water, mainly obtained from municipal sources, for various production processes and equipment cooling. To minimize our impact on the local community and city resources, our Oxford, MA facilities utilize well water from an underground aquifer. Since implementation of this initiative in 2020, our Oxford facilities have used approximately 111,000 cubic meters of well water, resulting in an equivalent reduction in our city water consumption. Additionally, the use of well water for cooling allows for its return to the environment without the potential harm associated with chemical sanitation.

To identify key sites for water management analysis, we utilize the World Resources Institute (WRI) Aqueduct Water Risk Atlas. This tool allows us to pinpoint locations experiencing water stress and necessitating a heightened focus on conserving water withdrawal. None of our major production facilities are situated in regions categorized as having high or extremely high water stress.

WASTEWATER MANAGEMENT

IPG sites discharge water to municipal sewage systems. However, wastewater that does not meet sewer discharge standards or has come into contact with hazardous or harmful substances is collected and treated by licensed water treatment vendors. Our comprehensive processes, continuous monitoring, and thorough testing prevents non-compliant wastewater from entering the environment untreated. Select IPG sites are also equipped with on-site wastewater backup tanks. If any abnormal issues are detected in the system, the backup tanks allow for the holding of overflow volumes to take corrective actions without affecting our operations.

The majority of collected non-hazardous wastewater undergoes treatment by our vendors and is safely returned to the environment. A significant portion of the remaining non-hazardous wastewater is reused in other applications. Vendor data from 2024 for certain New England facilities shows that approximately 85% of collected non-hazardous wastewater was either recycled or treated before discharge.

Our People



- 2024 Social Impact Highlights
- Creating the “Best Place to Work”
- Safety in the Workplace
- Community Engagement

2024 Social Impact Highlights

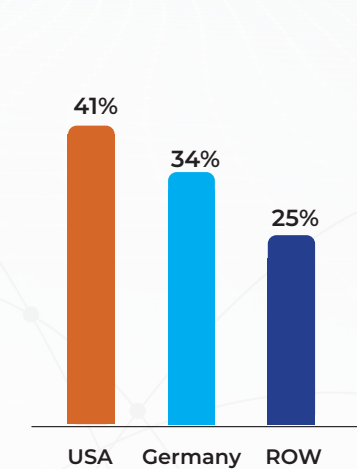


IPG Global Workforce

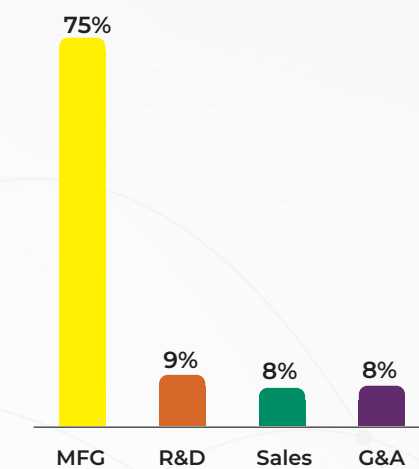
~4,700 Full Time Employees Worldwide

Data provided as of December 31, 2024. In 2024, IPG divested its former Russian subsidiary, which significantly affected the total number of employees and workforce demographics.

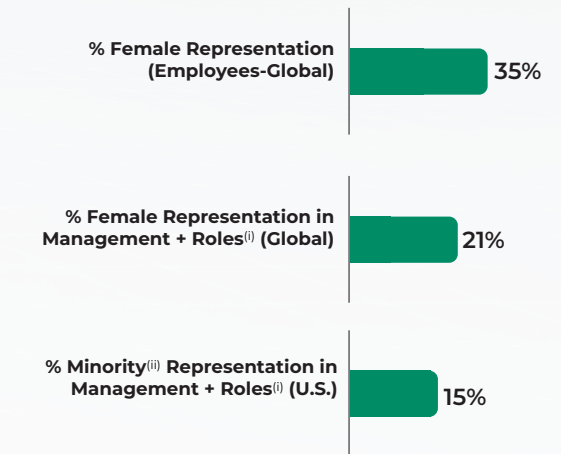
2024 Demographic by Region



2024 Demographic by Role



2024 Workforce and Management Demographics



Footnotes:
 (i) “Management + Roles” includes executives, senior managers, officials and professionals.
 (ii) “Minority” refers to individuals who identify as American Indian or Alaskan Native, Asian, Native Hawaiian or Pacific Islander, Black or African American, Hispanic or Latino, or two or more races.



Creating the “Best Place to Work”

At IPG, we prioritize programs that support our employees' well-being. Our benefits are designed to cover professional development, personal needs, and financial security. Reflecting the high standards of our industry, our offerings aim to foster healthy lifestyles for our employees and their families. Additionally, our benefit programs vary by country to cater to the specific needs of our workforce, complying with local regulations and industry standards.

EMPLOYEE DEVELOPMENT: IPG provides continual development to employees focused on developing their skills and competencies, such as monthly leadership training to develop management skills. We also encourage employees to attend professional conferences, seminars and technical presentations.

EDUCATION ASSISTANCE: IPG pays for educational courses related to an employee's work or as part of a degree program, including tuition, lab fees and books. This program has been effective at enabling employees to attain advanced degrees, enhancing their career opportunities.

INTERNSHIP PROGRAM: Since its inception, IPG has been committed to fostering young talent through our internship program. Our paid internships provide practical experience across numerous divisions for college students and recent graduates. Data collected in 2024 shows that 17% of interns converted to full-time IPG employees.

EMPLOYEE WELLNESS: IPG provides a number of site-specific wellbeing programs tailored to meet the needs of employees, including mental health support, family care support, working time adjustment, and mind and body reimbursements programs.

BENEFITS: IPG offers competitive compensation and benefits designed to support and retain our employees. Our benefits are locally customized and, depending on location and employment type, include health and dental insurance coverage, retirement savings plans, disability insurance, paid time off, paid holidays, and paid parental leave. All employees participate in our annual cash bonus program, allowing them to share in the profitability and business performance of IPG. We also generally provide equity grants and an employee stock purchase plan to salaried employees consistent with geographic compensation practices and subject to regulatory compliance.

TRAINING: As a global organization, IPG respects and educates new hires on cultural differences and ethical practices as part of our onboarding procedures. Our employees are retrained on IPG policies directly applicable to their responsibilities bi-annually.

COMPANY CULTURE AND LEADERSHIP UPDATES: At IPG, we are committed to creating a workplace that values the unique skills and experiences of all our employees. This commitment is realized through a culture of belonging that empowers employees to reach their full potential and contribute to the company's success. We provide equal opportunities for growth and advancement to all employees.

We welcomed several new leaders to our executive team in 2024, strengthening our leadership across key functions. We are particularly proud to note the addition of several accomplished women to our leadership ranks, bringing valuable perspectives to our operations and growth strategies. Mary Buttarazzi joined as our Vice President, Corporate Controller and Chief Accounting Officer, and Stacey Desrochers joined as our Vice President, Treasurer. These appointments reflect our continued focus on attracting top-tier talent with a range of industry expertise and strategic insight.



“ Success in this field is not about gender—it’s about knowledge, problem-solving, and dedication. Women bring valuable perspectives, creativity, and precision to engineering, and their contributions are just as impactful. I want to challenge the idea that engineering is just a ‘man’s job’—it’s a field for anyone with passion and talent. The more we break these stereotypes, the more we can create an environment where everyone can thrive based on their skills and expertise. ”

Ceren Yildirm
Mechanical Design Engineer



TALENT ACQUISITION: In a competitive market, we distinguish ourselves by creating a workplace where exceptional individuals choose to build their careers. Their unique skill and experiences enable IPG to produce industry-leading products that change the world daily. We are committed to attracting and retaining the best talent and an engaged and thriving workforce that drives a sustainable future for our company and society. All employment decisions and personnel actions at IPG Photonics are made solely based on merit, qualifications, and performance. Our policies and procedures ensure that every individual is treated with dignity and fairness, regardless of their background. Our talent acquisition practices provide us with access to a pool of outstanding applicants. Such practices include:

- Our participation in the CIRCAWORKS program, which enhances our reach to potential candidates and the visibility of our job opportunities.
- Our established partnerships with conferences providing us access to high quality professionals, including the Society of Hispanic Professional Engineers (SHPE), the Society of Women Engineers (SWE), the American Indian Science and Engineering Society (AISES), and the National Society of Black Engineers (NSBE).
- Our participation in recruitment at universities having higher than average populations of individuals with varied backgrounds in STEM-related programs.
- Scholarships to graduates of local high schools and vocational schools that foster innovation and offer educational opportunities to the next generation.

EMPLOYEE ENGAGEMENT AND COMMUNICATION: Ensuring proper communication across all levels is paramount for our company’s effective operation, driving innovation, and fostering a strong corporate culture. With the appointment of Kristin Samuelsen as Director of Corporate Communications, we have significantly enhanced our internal communication efforts. This includes implementing quarterly town hall meetings for all employees, enhancing our engagement program through surveys and analysis, expanding outreach regarding wellness programs and benefits, and driving collaborative communication through shared platforms and regular business unit meetings. These actions are designed to promote transparency and a sense of shared purpose within the organization.

Safety in the Workplace

At IPG, we are fully committed to protecting the environment, the health and safety of our employees, and the communities where we operate. Transparency, accountability, and innovation guide our EHS strategy, ensuring we meet or exceed industry standards while delivering sustainable laser solutions worldwide.

OUR EHS POLICY OUTLINES OUR COMMITMENT TO:

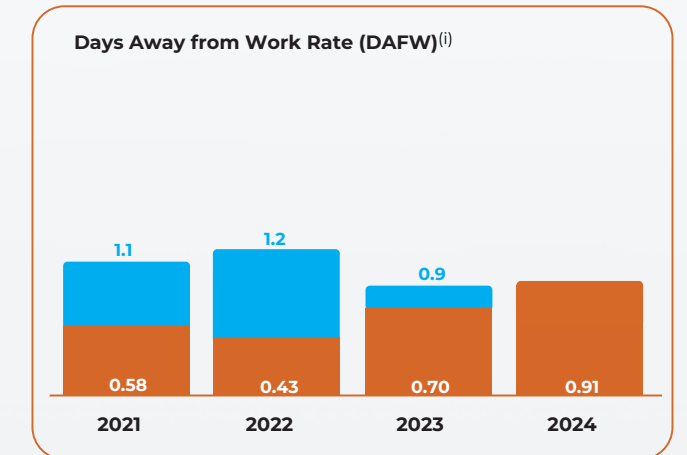
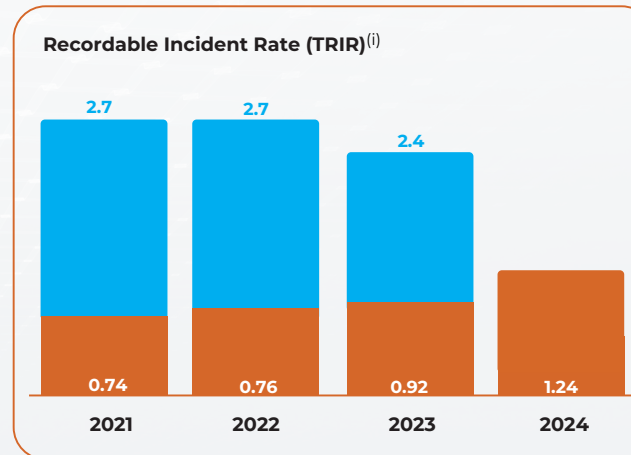
- Comply with applicable local, national, and international EHS regulations
- Proactively manage risks to prevent workplace incidents and environmental harm
- Provide comprehensive training for manufacturing employees to reduce and prevent workplace accidents

2024 ACTIONS IMPROVING WORKFORCE SAFETY:

- Conducted 150+ facility audits to identify and mitigate risks such as laser radiation and chemical exposure
- Trained 95% of our US manufacturing workforce in advanced safety protocols, including laser-specific hazard recognition
- Our major EU facilities implemented online EHS trainings covering occupational health and safety (OHS) requirements
- Launched a global employee safety committee in 2024

WORKPLACE INJURY RATES: Our manufacturing facilities maintain established OHS systems and have historically achieved injury rates below the industry average published by the US Bureau of Labor Statistics (BLS).

We observed an increase in incident rates during 2023 and 2024. This increase is partly attributable to the divestment of our former Russian subsidiary, which resulted in a significant global workforce reduction and a shift in regional workforce distribution. The substantial number of relocated and newly hired employees brought on to compensate for the divestiture of Russian operations required extensive training on safety measures and adaptation to new work environments.



IPG INDUSTRY AVERAGE

Footnotes:
 (i) 2021-2022 data includes facilities in US, Germany, Italy, Russia and Belarus. 2023-2024 data includes facilities in Poland. 2024 data excludes facilities in Russia (disengaged). TRIR = Recordable cases x 200,000 / total hours worked by all employees; DAFW = Lost time cases x 200,000 / total hours worked by all employees. Industry average represents incidence rates of nonfatal occupational injuries and illnesses for private industry with more than 1,000 employees published by BLS. 2024 BLS data was not available at time of publication.



Community Engagement

IPG is actively contributing to non-profit organizations and programs that focus on education, community welfare, arts and social services. IPG recognizes the importance of helping our local communities across the globe. IPG supports dozens of charities across the world with the goal of promoting community engagement and advancing economic opportunities.

EDUCATION



We have a stake in various programs that help students prepare to be tomorrow's leaders and innovators:

- Support secondary education programs that enhance core competencies in STEM
- Support programs to help students develop necessary reading, writing and analytical skills

CIVIC & SOCIAL SERVICES



IPG believes that it is important to ensure that our communities have access to the most basic needs. We want to improve the quality of life in our regions by empowering people to achieve personal growth and encouraging them to take advantage of new opportunities. IPG supports programs that advance:

- Economic and workforce development
- Scientific literacy
- Conservation and sustainability

ARTS & CULTURE



IPG invests in programs that promote participation in the arts. Artistic expression inspires creativity and improves mental health. IPG supports a variety of opportunities for cultural and artistic experiences.

HEALTH & WELFARE



IPG supports local health and welfare programs. We also donate to local youth and recreational centers that promote responsible citizenship, education and community involvement. IPG is focused on initiatives that improve the quality of healthcare and wellness.

In 2024, IPG donated approximately \$265,000 to support our local communities

Among our community engagements, IPG prioritizes those supporting local needs as well as healthcare initiatives. We also aim to promote educational programs that have potential to impact a new generation of scientists and engineers who will advance technological development and develop new ways of applying laser technologies to sustainably improve lives.

Our 2024 contributions included donations for the following goals:

EDUCATION AND LITERACY:

- Community Youth Sports
- Local middle school robotics team
- Our Bright Future
- Sutton Public Library Summer Reading Program

HEALTHCARE:

- American Heart Association
- Pan-Mass Challenge
- ALS Donor Services
- Regular blood drives

CIVIC AND SOCIAL WELFARE:

- Local Food Banks

Our employees also participate in socially meaningful events in their communities. For example, in 2024, employees of IPG Canada participated in the Terry Fox Run to support vital cancer research.



Our Governance



- Governance & Board Highlights
- Strong Corporate Governance
- A Business of Ethical Operations
- Innovations Designed with Integrity
- Responsible Supply Chain

Governance & Board Highlights⁽ⁱ⁾



- Governed by a 10-member Board, seven of whom are independent directors
- Non-executive Board Chair
- Audit and Compensation Committees and Nominating Subcommittee are composed entirely of independent directors

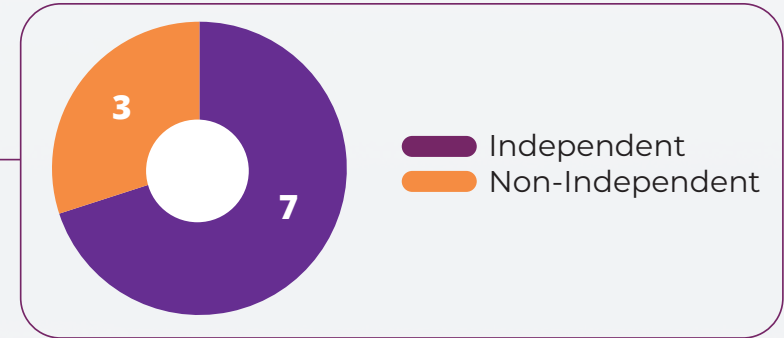


- Annually elected directors
- Director majority voting policy
- Single class of voting stock
- No super majority voting provisions

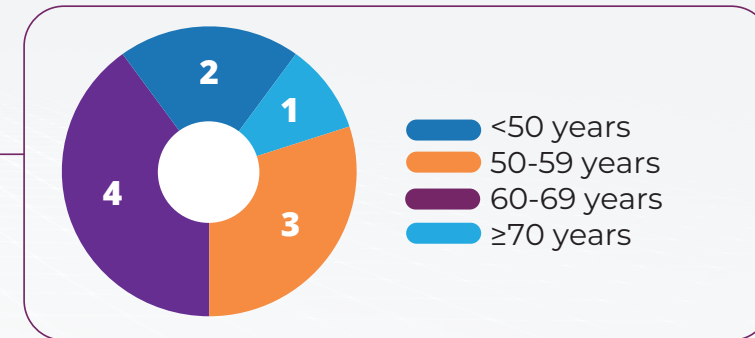


- Continued refreshment of the Board with a focus on skills, experience and new perspectives, as well as the needs of the Board
- A majority of the Board has a tenure of 5 or fewer years

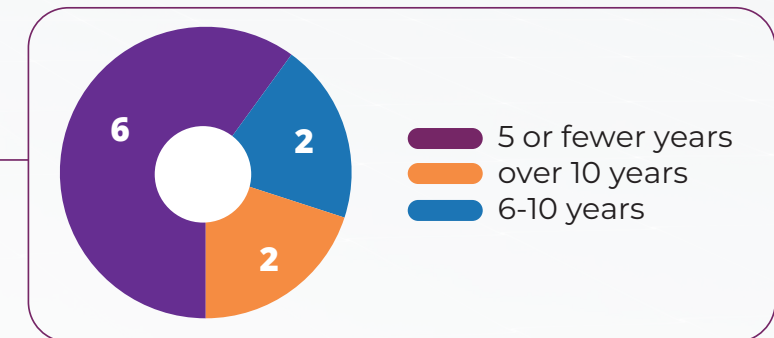
Independence
70%



AGE
Average Age - 63 years



Board Refreshment
Average Tenure - 7 years



Footnotes:
(i) The data provided is for 2025 director nominees. Director independence determined under Nasdaq guidelines and SEC rules. Detailed information is available in our 2025 Proxy Statement

Strong Corporate Governance

Our conviction is that strong corporate governance bolsters both the Board of Directors (the “Board”) and management, boosts public confidence, and is essential for realizing enduring value for our shareholders. In this section, you’ll find a summary of our corporate governance policies and practices.

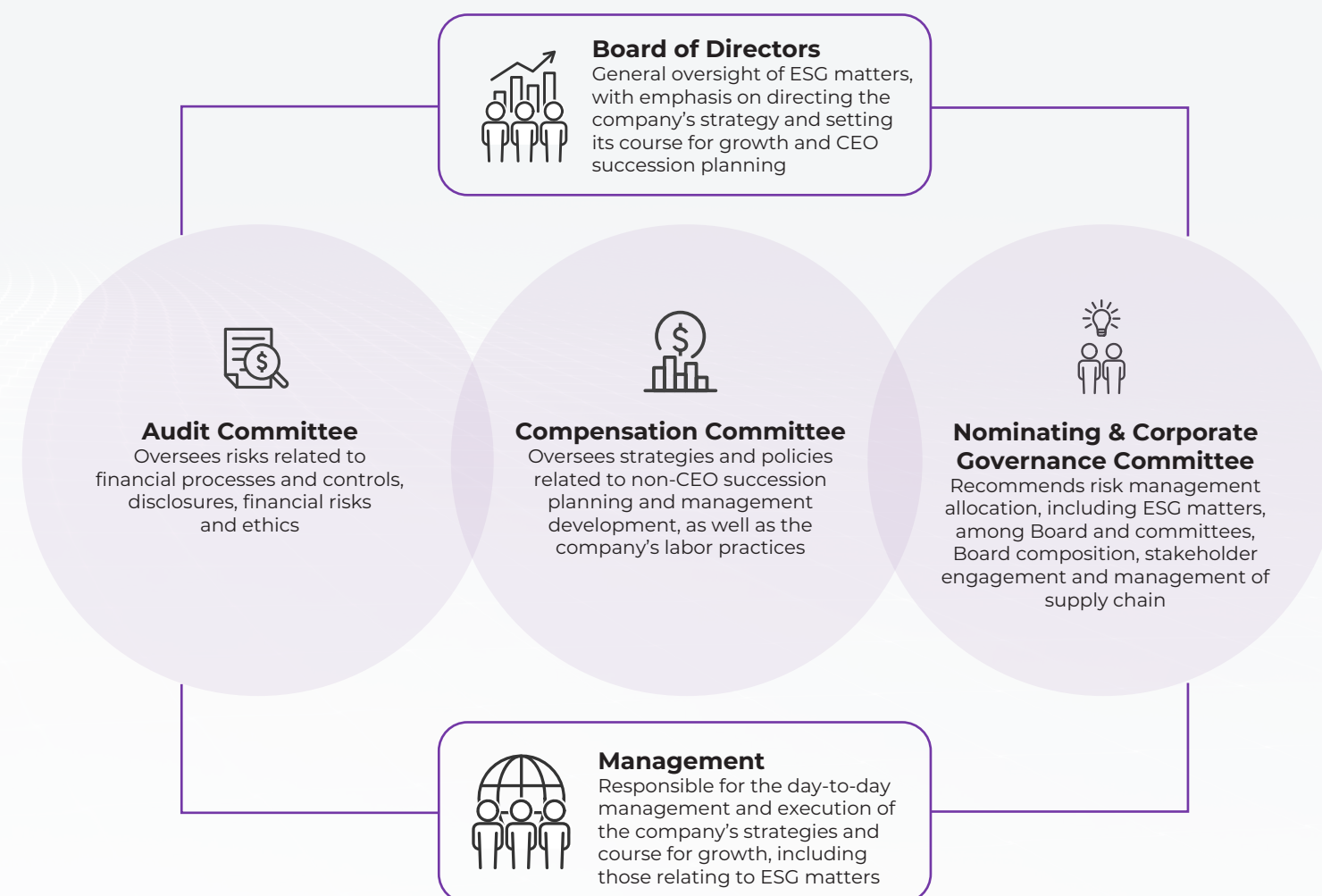
As illustrated below, we have diligently worked to implement a range of initiatives and reforms aimed at strengthening our governance structure, increasing transparency, and aligning our operations more closely with the interests of our stockholders. These developments are a testament to our dedication to corporate governance and our commitment to responsible business practices. We believe that these governance enhancements reflect our proactive approach to addressing the evolving corporate landscape and best practices.

<ul style="list-style-type: none"> Amended insider trading policy prohibit all pledging of Company stock by directors, officers and certain other insiders Continued Board Refreshment with two new directors, resulting in a majority of the board having a tenure of 5 or fewer years 	2023
<ul style="list-style-type: none"> Adopted ESG oversight framework to clearly allocate responsibilities among Board and standing committees 	2022
<ul style="list-style-type: none"> Separated the roles of Board Chair and CEO Appointed non-executive Board Chair Adopted a formal policy regarding the Company’s approach to political donations and disclosure 	2021
<ul style="list-style-type: none"> Formally adopted - Rooney Rule (ensuring diverse candidates in the pool as part of each board search) Published first Corporate Sustainability Report Increased stock ownership requirements for executives and directors Adopted new LTI statement structure increasing the percentage of performance-based compensation Redesigned proxy statement to include more detailed information 	2020
<ul style="list-style-type: none"> Adopted proxy access bylaw amendment creating process for long-term stakeholders to nominate alternative board candidates on the Company’s proxy card 	2019

ESG OVERSIGHT

Key ESG matters, including environmental risks, climate change risks and human capital risks could have an adverse impact on our company. Additionally, certain countries in which we operate have imposed new, comprehensive ESG-focused disclosure requirements, such as the European Union’s Corporate Sustainability Reporting Directive (CSRD), which requires detailed reporting on climate-related matters, such as risks, targets and emissions disclosures, as well as other social and governance matters.

In October 2024, the Board reviewed an enterprise-level ESG risk assessment to identify and understand specific risks within the ESG realm that could have a material impact on IPG. In connection with CSRD, the company has engaged a third-party advisory firm to initiate a double materiality assessment to identify the potentially material environmental, social and governance topics from an impact and financial perspective and to assess the potential impacts, risks and opportunities. Specific ESG topics are overseen by the Board as a whole, or, in limited circumstances, by the Board committee generally responsible for the subject matter. The Board supports and regularly inquires about progress in the IPG’s reporting of ESG policies, metrics and related disclosures.



A Business of Ethical Operations

IPG values solid corporate governance with a focus on protecting the safety and fundamental human rights of all our employees across the globe. IPG implemented a set of company-wide globally applicable policies. To adhere to local laws and regulations, some of our subsidiaries have local policies and procedures aligned with the global IPG policies. The key policies are listed below.

CODE OF BUSINESS CONDUCT

Across the world, all IPG employees are responsible for adhering to the values and guidelines included in our Code of Business Conduct (the “Code”). We also require our sales representatives and distributors to uphold the standards described in the Code and respect our high ethical standards. The Code helps avoid unethical actions that would negatively impact our reputation.

ANTI-CORRUPTION POLICY

IPG is a global organization committed to the highest ethical standards. We strictly adhere to all applicable international anti-corruption laws. Consequently, IPG directors, employees, agents, and representatives are unequivocally prohibited from offering, paying, or providing any form of bribe, kickback, or other improper benefit. Our anti-corruption policy requires that transactions are executed and access to assets is permitted only in accordance with management’s authorization, guided by applicable laws and regulations.

WHISTLEBLOWER POLICY AND HOTLINE

IPG’s policies outline our grievance process for anyone who believes an employee has engaged or is engaging in conduct that violates our Code. In addition to internal channels, we provide all employees with access to a confidential, anonymous, 24/7 Hotline, administered by a third-party agency. The Hotline is also available for other IPG’s stakeholders. To make sure employees are aware of these channels, IPG posts the hotline information in common areas of its facilities. IPG’s policy strictly prohibits retaliation against whistleblowers.

ENVIRONMENTAL POLICY

IPG is committed to protecting the environment, the health and safety of our employees, and the local and global community in which we conduct our business. We recognize our responsibility to minimize the environmental impact of our operations and products and are dedicated to implementing sustainable practices throughout our entire organization. The Environmental Policy outlines our approach to effective consumption of energy, water and resources, reduction of GHG emission and waste, and our commitment to address climate related risks.



Training on Ethical Operations

Employees review our Code during orientation, followed by mandatory online training. Employees are timely informed about updates of the Code and required to complete an additional bi-annual online training. IPG also ensures that new employees are educated about our values outlined in other policies and that they review these policies periodically. Employees’ questions on any such policy may be addressed to the proper officers and Human Resources.

HUMAN RIGHTS POLICY

IPG is committed to upholding the human rights and dignity of all workers, including temporary, contract, and migrant employees, in alignment with international standards such as the UN Universal Declaration and ILO conventions. To ensure workers understand their rights, IPG provides a handbook detailing working conditions, rights and obligations.

HUMAN TRAFFICKING AND MODERN SLAVERY

IPG has an established zero-tolerance policy prohibiting human trafficking-related activities. Under the policy, involuntary or forced labor (including bonded, debt bondage, indentured, and involuntary prison labor), commercial sex, slavery, or trafficking of persons is prohibited. IPG is committed to maintaining and improving the systems and processes to ensure we comply with all rules and regulations regarding human trafficking and any forced labor in our operations and supply chain. A Global Modern Slavery and Human Trafficking Transparency Disclosure is available on the company website.

PRIVACY POLICY AND PROCEDURES

IPG is committed to maintaining the highest standards of data privacy and transparency. We regularly review and update our privacy practices to reflect evolving legal requirements, technological advancements, and our ongoing commitment to protecting personal information. In 2024, IPG updated its privacy-related policies and internal practices to meet the evolving legal requirements and to ensure that such policies and practices meet our stakeholders’ expectations.

Innovations Designed with Integrity

HAZARDOUS MATERIALS

IPG carefully manages all materials and chemicals that are used during production in order to protect the environment and ensure the health and safety of our workers.

European Union REACH - IPG commits to the safe use and identification of chemicals per the requirements of Regulation (EC) No 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). Our products are “articles” as defined in 3(3) of REACH and do not release substances under normal use. According to REACH, suppliers of articles must provide recipients with information on Substances of Very High Concern (SVHC) if those are present above a concentration limit of 0.1% on an article level. We monitor updates to the list of SVHCs and we strive to minimize or eliminate SVHC substances. We are committed to providing our customers with information regarding SVHC in our products and will continue to monitor our products under REACH.

European Union RoHS and WEEE – IPG complies with applicable provisions of the EU Restriction of Hazardous Substances (RoHS) Directive and Directive 2002/96/EC on Waste Electrical and Electronics Equipment (WEEE) targeting the reduction of environmental impact of waste electrical and electronic equipment. IPG is committed to compliance with the RoHS and WEEE Directives and minimizing the environmental impact of its products.

CONFLICT MATERIALS

IPG is committed to the responsible sourcing of tin, tantalum, tungsten and gold used in our products and IPG conducts an annual due diligence review of its suppliers to determine whether conflict minerals may be found in our products. IPG will not knowingly source any conflict minerals from sources that fund conflict. If IPG’s due diligence reveals that any of IPG’s suppliers have provided IPG with goods or metals that funded conflict, IPG will seek alternative sources for such goods or metals. IPG files a conflict minerals report with the SEC annually.

COMPLIANCE & RISK MANAGEMENT

At IPG, risk management is a priority for our Board and senior management. Effectively monitoring and managing risk are essential to the successful execution of IPG’s business strategy. Managers at IPG have the power to manage, mitigate and elevate risks to senior management. The Board has oversight for risk management with a focus on the most significant risks, including strategic, operational, financial and compliance risks.

Responsible Supply Chain

IPG expects our suppliers to commit to high standards in the areas of ethics, business integrity, human rights, protection of information, health and safety and environmental management. Our goal is to ensure that IPG does business with partners that operate with the highest ethical standards and that have a record of law-abiding conduct.

SUPPLY CHAIN

IPG has developed a robust vertically integrated supply chain producing key technology components in-house. Accordingly, IPG’s sourced goods consist primarily of direct material for production purposes, such as electrical, electronic and mechanical parts and components, and capital equipment, machines and tools. Most of IPG’s supplier relationships are short-term contracts governed by general purchase order terms and conditions; however, IPG has some negotiated supply contracts for certain goods and suppliers. IPG aims to work with suppliers who are ISO 9001:2015 certified.

SUPPLIER CODE OF CONDUCT

IPG prioritizes building robust partnerships with suppliers who demonstrate a commitment to ethical conduct, responsible practices, and legal compliance. We expect full adherence to our core values and principles to ensure alignment to reduce our environmental footprint throughout our supply chain. IPG requires all in-scope suppliers to adhere to our Supplier Code of Conduct.

RISK ANALYSIS AND MITIGATION

We leverage third-party assessment tools to ensure comprehensive risk analysis within our supply chain. When any issue is identified in a supplier’s practices, we initiate a risk mitigation process to reduce the risk of violation. IPG employees or suppliers who suspect any illegal or improper conduct violating IPG’s Supplier Code of Conduct should report it through the channels provided on IPG’s website. Suppliers are required to allow their employees to report code violations to IPG without fear of retaliation.

CHILD LABOR AND HUMAN TRAFFICKING IN SUPPLY CHAIN

IPG requires suppliers to align their practices with IPG’s Anti-Human Trafficking Policy. Suppliers are required to follow the requirements defined in the ILO Minimum Age Convention No. 138. In particular, suppliers must not hire minor individuals under 15 years of age (or 14 years of age where local law allows) or under the legal minimum age for employment in the country, whichever is most restrictive. Suppliers must not permit individuals under 18 years of age to perform work that might jeopardize their health or safety.

Appendix



- Alignment With UN SDGs
- GRI Index
- SASB Content Index

Alignment with UN SDGs

IPG Photonics' sustainability strategy is in alignment with the United Nations Sustainable Development Goals. IPG's innovations support the United Nations along with their goal of establishing a more sustainable society by 2030.



GOOD HEALTH & WELLBEING (PAGES 16, 17 & 18)

IPG prioritizes programs that support our employees' well-being and health. Our products help transform lives in the healthcare industry and improve worker safety across the globe. We provide proper safety training for our employees in accordance with the safety guidelines.



QUALITY EDUCATION (PAGE 16-19)

IPG is committed to helping today's students become well prepared to be tomorrow's leaders and innovators. Our programs are targeted at post-secondary education that enhances core competencies in STEM.



DECENT WORK & ECONOMIC GROWTH (PAGES 5 & 16)

IPG is an equal opportunity employer with competitive employee benefits and compensation. Our vertical-integrated business model allows us to be a leader in the production of fiber lasers and provide solutions to a variety of industries across the world that are advancing technologies and the efficiency of the global workforce.



INDUSTRY, INNOVATION AND INFRASTRUCTURE (PAGES 5, 9 & 10)

Our innovations revolutionize automation, industrial production and the automotive industry. Our superior quality and energy-efficient lasers are built to last and protect the environment. We are constantly helping our customers finding new and environmentally friendly applications for fiber lasers.



REDUCED INEQUALITIES (PAGES 15-17)

IPG's corporate culture is based on principles of merit-based opportunity, nondiscrimination and equal treatment for all. We adhere to our Code and Human Rights Policy to create a workplace where differences are respected, and each employee can freely contribute and thrive.



RESPONSIBLE CONSUMPTION & PRODUCTION (PAGES 5, 23 & 8-14)

IPG carefully monitors our internal supply chain to conserve energy and water consumption, as well to reduce industrial waste and recycle a variety of materials, including precious metals.



CLIMATE ACTION (PAGES 8-14)

IPG conserves its energy use and implements initiatives to reduce generated emissions. Energy efficiency of our products allows our customers to achieve their sustainability goals. Our products are instrumental for energy-effective and cost-effective manufacturing of environmentally friendly products by such as EVs, LEDs, and solar panels, which contributes to their global adoption.

Appendix GRI INDEX

Reporting Period: January 1 – December 31, 2024

GRI DISCLOSURE		DISCLOSURE OR A REFERENCE TO ITS LOCATION
GRI 2: General Disclosures (2021)		
2-1	Organizational details	Legal name: IPG Photonics Corporation. For ownership and legal structure, please see our 2025 Proxy Statement . Headquarters: 377 Simarano Drive, Marlborough, Massachusetts 01752, USA. Countries of operation: IPG operates principal manufacturing facilities for fiber lasers, laser systems, fiber amplifiers, and related optical components, located in the United States and Germany. We have sales and service offices and application laboratories worldwide. See 2024 Form 10-K: Part I Item 1 .
2-2	Entities included in the organization's sustainability reporting	See 2024 Form 10-K: Part I Item 1 . We report our sustainability data for all global manufacturing facilities and facilities over 50,000 square feet or 100 employees. We include data for acquired entities as soon as we are able to collect data meeting applicable standards. Data for retired assets is not reported in the following period, except as expressly noted in the Sustainability Report. Accordingly, the 2025 Sustainability Report excludes our recently divested Russian subsidiary, as well as Clean-Lasersysteme GmbH.
2-3	Reporting period, frequency and contact point	The 2025 Sustainability Report covers a period from January 1, 2024, to December 31, 2024, which is aligned with IPG's financial reporting period. The Sustainability Reports have been previously published annually in April of each year. The questions regarding the Sustainability Reports could be addressed to CSR@IPGPhotonics.com .
2-4	Restatements of information	Data collection practices of our German subsidiary have been adjusted to meet requirements of the CSRD, resulting in recalculation of the data reported for 2021-2023. We closely engaged with our waste disposal vendors, which also resulted in update of the data for 2021-2023. Scope 1 and Scope 2 emissions have been recalculated using the most accurate location-specific or supplier-specific emission factors available to us. Previously, we used average U.S. emission factors from the US EPA for all our locations. Scope 2 emissions now include data from our two main manufacturing sites for fuel used by certain fleet vehicles. Additionally, we have included data from certain operational emission sources that were not collected previously. This did not increase the emissions significantly because most of our energy consumption and GHG emissions are associated with grid electricity and natural gas consumption.
2-5	External assurance	This report did not undergo external assurance. All data provided by data owners is subject to internal review prior to publication.
2-6	Activities, value chain & other business relationships	See 2024 Form 10-K .
2-7	Employees	As of December 31, 2024, IPG had approximately 4,740 permanent, full-time employees. For certain workforce demographic data, see page 15 of the 2025 Sustainability Report.
2-8	Workers who are not employees	As of December 31, 2024, IPG had approximately 85 workers who are not employees (contractors and consultants).
2-9	Governance structure and composition	See pages 20-21 of the 2025 Sustainability Report. See sections Corporate Governance, Board Refreshment and Composition and Director Qualifications of the 2025 Proxy Statement .
2-10	Nomination and selection of the highest governance body	See section Board Refreshment and Composition of the 2025 Proxy Statement .

Appendix GRI INDEX

Reporting Period: January 1 – December 31, 2024

GRI DISCLOSURE		DISCLOSURE OR A REFERENCE TO ITS LOCATION
GRI 2: General Disclosures (2021)		
2-11	Chair of the highest governance body	John Peeler, non-executive Chair of the Board of Directors. For information on the Board of Directors see 2025 Proxy Statement .
2-12	Role of the highest governance body in overseeing the management of impacts	See page 21 of the 2025 Sustainability Report. See section Corporate Governance - Role in Environmental, Social and Governance Oversight of the 2025 Proxy Statement .
2-13	Delegation of responsibility for managing impacts	Not applicable.
2-14	Role of the highest governance body in sustainability reporting	See section Corporate Governance - Role in Environmental, Social and Governance Oversight of the 2025 Proxy Statement and page 21 of the 2025 Sustainability Report.
	Conflicts of interest	See 2025 Proxy Statement .
2-15	Communicating critical concerns	The process for reporting critical concerns is outlined in our Code of Business Conduct . We provide a confidential phone hotline, fax number and confidential web reporting. See also the section titled Board Practices, Policies and Processes of the 2025 Proxy Statement . We had no critical concerns to report to the highest governance body in 2024.
2-16		
2-17	Collective knowledge of highest governance body	IPG does not disclose this information.
2-18	Evaluation of the performance of the highest governance body	See section Board Practices, Policies and Processes of the 2025 Proxy Statement .
2-19	Remuneration policies	See section Board Practices, Policies and Processes of the 2025 Proxy Statement .
2-20	Process to determine remuneration	See section Board Practices, Policies and Processes of the 2025 Proxy Statement .
2-21	Annual total compensation ratio	See section Pay Versus Performance of the 2024 Proxy Statement.
2-22	Statement on sustainable development strategy	See the CEO Letter in 2025 Sustainability Report and the CEO letter to stockholders in 2025 Proxy Statement .
2-23	Policy commitments	IPG's commitments for responsible business conduct, including the commitment to respect human rights, and our values, principles, standards are outlined in the following documents available to our stakeholders: Human Rights Policy , Environmental Policy , Code of Business Conduct , Supplier Code of Conduct , Anti-Human Trafficking Policy , IPG Sustainability Reports.
2-24	Embedding policy commitments	See pages 4-6 and 22-24 of the 2025 Sustainability Report.
2-25	Processes to remediate negative impacts	Key impacts, risks and opportunities are outlined in 2024 Form 10-K . IPG's policies outline the grievance mechanism for our stakeholders.
2-26	Mechanisms for seeking advice and raising concerns	Employees are trained to seek advice about ethical or unlawful behavior and to report concerns about such behavior and by either contacting the legal department or using a confidential method described in the Code of Business Conduct .

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Reporting Period: January 1 – December 31, 2024

GRI DISCLOSURE		DISCLOSURE OR A REFERENCE TO ITS LOCATION
GRI 2: General Disclosures (2021)		
2-27	Compliance with laws and regulations	IPG did not receive any material fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations in 2024. IPG did not receive any material fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in 2024.
2-28	Membership associations	IPG does not disclose this information.
2-29	Approach to stakeholder engagement	See page 6 of the 2025 Sustainability Report.
2-30	Collective bargaining agreements	IPG allows employees to have the right to freedom of association and collectively bargaining. For more information see the Code of Business Conduct and Human Rights Policy
GRI 3: Material Topics (2021)		
3-1	Process to determine material topics	See page 6 2025 Sustainability Report.
3-2	List of material topics	See page 6 of the 2025 Sustainability Report. The list of material topics did not change from the previous reporting period.
3-3	Management of material topics	See 2025 Sustainability Report.
GRI 201: Economic Performance (2016)		
201-1	Direct economic value generated and distributed	2024 direct economic value generated \$1,025,685,000; 2024 economic value distributed: \$1,005,400,000; 2024 economic value retained: \$20,285,000. See 2024 Form 10-K.
201-2	Financial implications and other risks and opportunities due to climate change	See pages 8-14 of the 2025 Sustainability Report.
201-3	Defined benefit plan obligations and other retirement plans	IPG does not offer a defined benefit plan to employees. IPG offers defined contribution plans that vary depending on country of employment. See 2024 Form 10-K.
201-4	Financial assistance received from government	Not applicable.

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GRI DISCLOSURE		DISCLOSURE OR A REFERENCE TO ITS LOCATION
GRI 202: Market Presence (2016)		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	IPG does not disclose this information.
202-2	Proportion of senior management hired from the local community	IPG does not disclose this information.
GRI 203: Indirect Economic Impacts (2016)		
203-1	Infrastructure investments and services supported	Not applicable.
203-2	Significant indirect economic impacts	IPG does not measure indirect economic impacts as noted nor does IPG track indirect economic impacts in the context of external benchmarks.
RI 204: Procurement Practices (2016)		
3-3	Management of material topics: procurement	Vertical integration is one of the core business strategies through which we control our proprietary processes and technologies as well as the supply of key components and assemblies. In general, a majority of our components are sourced internally, including semiconductor diodes, optical fibers, electro-optical components, optical components and mechanical assemblies. We purchase common and specialized mechanical, electrical and optical parts and raw materials from third party vendors. IPG's supply chain organizations are designed to support production of its high-performance fiber lasers and amplifiers in a legal, economically effective, and environmentally and socially responsible manner. See 2024 Form 10-K.
204-1	Proportion of spending on local suppliers	IPG does not disclose this information.
GRI 205: Anti-Corruption (2016)		
205-1	Operations assessed for risks related to corruption	Operations at IPG are assessed for risks related to corruption. No significant risks have been identified.
205-2	Communication and training about anti-corruption policies and procedures	IPG employees receive training on IPG's anti-corruption policy upon employment and biannually.
205-3	Confirmed incidents of corruption and actions taken	Not applicable.
GRI 206: Anti-Competitive Behavior (2016)		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	IPG was not the subject of any legal action for anti-competitive behavior, anti-trust or monopoly practices in 2024.

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Reporting Period: January 1 – December 31, 2024

GRI DISCLOSURE		DISCLOSURE OR A REFERENCE TO ITS LOCATION
GRI 207: Tax (2019)		
207-1	Approach to tax	Our tax strategy is implemented in support of our business strategy and global operations. IPG reports profits and pays taxes on those profits in the countries of its operations, including research & development, manufacturing and sales, in accordance with the laws of each country. Our tax rate is based on our income, statutory tax rates and tax planning opportunities available to us in the various jurisdictions in which we operate. We file federal and state income tax returns in the United States and in numerous international jurisdictions. See 2024 Form 10-K .
GRI 207: Tax (2019)		
207-2	Tax governance, control, and risk management	Our tax strategy is implemented by our Chief Financial Officer, along with other members of the finance tax group and regional controllers, in consultation with our executive management team and oversight by the Audit Committee of the Board. See 2024 Form 10-K .
207-3	Stakeholder engagement and management of concerns related to tax	We engage with tax authorities in the many regions in which we operate.
207-4	Country-by-country reporting	See 2024 Form 10-K .
GRI 301: Materials (2016)		
301-1	Materials used by weight or volume	IPG does not track this information.
301-2	Recycled input materials used	IPG does not disclose this information.
301-3	Reclaimed products and their packaging materials	IPG provides incentives for customers to return pump modules, which we then repair, refurbish or recycle.
GRI 302: Energy (2016)		
302-1	Energy consumption within the organization	See page 12 of the 2025 Sustainability Report.
302-2	Energy consumption outside of the organization	IPG does not track this information.
302-3	Energy intensity	See page 12 of the 2025 Sustainability Report.
302-4	Reduction of energy consumption	See pages 7 and 12 of the 2025 Sustainability Report. See 2024 Form 10-K .
302-5	Reductions in energy requirements of products and services	IPG has continually increased the wall-plug efficiency (watts of electricity required to generate a watt of optical energy) of our laser products. See page 8 of the 2025 Sustainability Report.
GRI 303: Water and Effluents (2016)		
303-1	Interactions with water as a shared resource	IPG does not track this information.
303-2	Management of water discharge-related impacts	IPG does not track this information.
303-3	Water withdrawal	See page 14 of the 2025 Sustainability Report.
303-4	Water discharge	IPG does not track this information.
303-5	Water consumption	IPG does not track this information.

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Reporting Period: January 1 – December 31, 2024

GRI DISCLOSURE		DISCLOSURE OR A REFERENCE TO ITS LOCATION
GRI 304: Biodiversity (2016)		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None to our knowledge.
304-2	Significant impacts of activities, products, and services on biodiversity	None to our knowledge.
304-3	Habitats protected or restored	None to our knowledge.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	None to our knowledge.
GRI 305: Emissions (2016)		
305-1	Direct (Scope 1) GHG emissions	See page 12 of the 2025 Sustainability Report.
305-2	Energy indirect (Scope 2) GHG emissions	See page 12 of the 2025 Sustainability Report.
305-3	Other indirect (Scope 3) GHG emissions	IPG does not track this information.
305-4	GHG emissions intensity	Metric Tons GHG emission per kW lasers sold (Metric Tons/kW) is 1.28 in 2024. See page 12 of the 2025 Sustainability Report.
305-5	Reduction of GHG emissions	See pages 11-12 of the 2025 Sustainability Report.
305-6	Emissions of ozone-depleting substances (ODS)	The impact of possible leakage to the atmosphere is estimated and reported as part of annual GHG emissions in CO ₂ equivalent. This impact in 2024 represents less than half a percent of our GHG emissions.
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not applicable.
GRI 306: Waste (2020)		
306-1	Waste generation and significant waste-related impacts	See page 13 of the 2025 Sustainability Report.
306-2	Management of significant waste-related impacts	See page 13 of the 2025 Sustainability Report.
306-3	Waste generated	See page 13 of the 2025 Sustainability Report.
306-4	Waste diverted from disposal	See page 13 of the 2025 Sustainability Report.
306-5	Waste directed to disposal	See page 13 of the 2025 Sustainability Report.
GRI 308: Supplier Environmental Assessment (2016)		
308-1	New suppliers that were screened using environmental criteria	IPG requires new suppliers to complete self-assessment questionnaires (SAQ). Per our due diligence process, we screen suppliers who have been identified as posing a higher risk of noncompliance with environmental standards.
308-2	Negative environmental impacts in the supply chain and actions taken	IPG did not identify negative environmental impact assessments of its supply chain in 2024.

Appendix GRI INDEX

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GRI DISCLOSURE		DISCLOSURE OR A REFERENCE TO ITS LOCATION
GRI 401: Employment (2016)		
401-1	New employee hires and employee turnover	IPG hired approximately 705 employees in 2024.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	IPG does not disclose this information.
401-3	Parental leave	IPG complies with local laws to allow for parental leave for full-time employees. In 2022, IPG introduced paid parental leave and adoption reimbursement programs in the U.S. See page 16 of the 2025 Sustainability Report.
GRI 402: Labor/Management Relations (2016)		
402-1	Minimum notice periods regarding operational changes	We provide a minimum number of weeks' notice to employees prior to implementing significant operational changes that could substantially affect them in accordance with local operations.
GRI 403: Occupational Health and Safety (2018)		
403-1	Occupational health and safety management system	IPG does not disclose this information.
403-2	Hazard identification, risk assessment, and incident investigation	IPG conducts hazards assessments and risk assessments. Incidents, injuries and illness are reported, tracked and investigated. See page 18 of the 2025 Sustainability Report.
403-3	Occupational health services	Designated clinics, alternative transportation for non-emergency follow-ups and eye care clinics are available at specific sites where applicable.
403-4	Worker participation, consultation, and communication on occupational health and safety	Where applicable there are regular safety meetings with our safety officers. We provide certain preventative medical check-ups by a doctor for certain workers.
403-5	Worker training on occupational health and safety	Training is provided periodically based on operation and exposure risk. See pages 18 of the 2025 Sustainability Report.
403-6	Promotion of worker health	See pages 16-17 of the 2025 Sustainability Report.
GRI 403: Occupational Health and Safety (2018)		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	We design and optimize our working stations to reduce associated health problems.
403-8	Workers covered by an occupational health and safety management system	Workers are covered by our operating procedures, which incorporate health and safety practices.
403-9	Work-related injuries	IPG tracks and reports work-related injuries in accordance with local laws and regulations. Work-related injuries are below industry average, as disclosed at page 18 of the 2025 Sustainability Report.
403-10	Work-related ill health	IPG tracks and reports work-related ill health in accordance with local laws and regulations. Work-related ill health is below industry average, as disclosed at page 18 of the 2025 Sustainability Report.

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GRI DISCLOSURE		DISCLOSURE OR A REFERENCE TO ITS LOCATION
GRI 404: Training and Education (2016)		
404-1	Average hours of training per year per employee	IPG does not disclose this information.
404-2	Programs for upgrading employee skills and transition assistance programs	IPG does not disclose this information.
404-3	Percentage of employees receiving regular performance and career development reviews	IPG does not disclose this information.
GRI 405: Diversity and Equal Opportunity (2016)		
405-1	Diversity of governance bodies and employees	40% of the Board are women.
405-2	Ratio of basic salary and remuneration of women to men	IPG does not disclose this information.
GRI 406: Non-Discrimination (2016)		
406-1	Incidents of discrimination and corrective actions taken	IPG does not disclose this information.
GRI 407: Freedom of Association and Collective Bargaining (2016)		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We have identified none. IPG allows employees to have the right to freedom of association and collective bargaining. Human Rights Policy .
GRI 408: Child Labor (2016)		
408-1	Operations and suppliers at significant risk for incidents of child labor	We have identified none. Our labor policy prohibits the use of child labor and prohibits workers under the age of 15 or the minimum age under local law. IPG's Supplier Code of Conduct contains similar restrictions on child labor. Human Rights Policy , Supplier Code of Conduct , Anti-Human Trafficking Policy .
GRI 409: Forced Labor (2016)		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There are no identified risks of child and forced labor abuse at any of our operations. IPG's Terms and Conditions of Purchase, Supplier Code of Conduct, and Anti-Human Trafficking Policy and Compliance Plan all contain explicit restrictions on child labor to which all suppliers are expected to adhere. IPG also supports the UK Modern Slavery Act and is committed to identify and address the risks of modern slavery, as outlined in IPG's Global Modern Slavery and Human Trafficking Transparency Disclosure . Human Rights Policy , Supplier Code of Conduct , Anti-Human Trafficking Policy .

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GRI DISCLOSURE		DISCLOSURE OR A REFERENCE TO ITS LOCATION
GRI 410: Security Practices (2016)		
410-1	Security personnel trained in human rights policies or procedures	IPG hires third party organizations for security which are required to comply with law and our Supplier Code of Conduct .
GRI 411: Rights of Indigenous Peoples (2016)		
411-1	Incidents of violations involving rights of indigenous peoples	None.
GRI 412: Human Rights Assessment (2016)		
412-1	Operations that have been subject to human rights reviews or impact assessments	Not applicable.
412-2	Employee training on human rights policies or procedures	IPG employees undergo Code of Business Conduct training biannually.
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Contracts require suppliers to agree to our Supplier Code of Conduct, which includes human rights provisions. Supplier Code of Conduct .
GRI 413: Local Communities (2016)		
413-1	Operations with local community engagement, impact assessments, and development programs	See page 19 of the 2025 Sustainability Report.
413-2	Operations with significant actual and potential negative impacts on local communities	IPG has not identified any operations with significant actual or potential negative impacts on local communities.
GRI 414: Supplier Social Assessment (2016)		
414-1	New suppliers that were screened using social criteria	IPG requires suppliers to comply with all applicable environmental, health and safety laws, regulations and directives. Suppliers are expected to protect the health, safety and welfare of their people, visitors and others who may be affected by their activities. Supplier Code of Conduct .
414-2	Negative social impacts in the supply chain and actions taken	Through our vertical integration model, we reduce purchases from the third-party supply chain as well as the negative social impacts of third-party suppliers' actions.

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GRI DISCLOSURE		DISCLOSURE OR A REFERENCE TO ITS LOCATION
GRI 415: Political Contributions (2016)		
415-1	Political contributions	See 2024 Annual Report on Political Contributions .
GRI 416: Customer Healthy and Safety (2016)		
416-1	Assessment of the health and safety impacts of product and service categories	Our product safety group is responsible for ensuring the safety of our products. In addition, third party certifiers are utilized to assess certain of our products.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	IPG is not aware of any non-compliance concerning the health and safety impacts of any of our products or services.
GRI 417: Marketing and Labeling (2016)		
417-1	Requirements for product and service information and labeling	IPG is required by local laws to label its products to disclose laser light and other risks.
417-2	Incidents of non-compliance concerning product and service information and labeling	IPG is not aware of any non-compliance concerning the product and service information and labeling of any of our products or services.
417-2	Incidents of non-compliance concerning marketing communications	IPG is not aware of any non-compliance concerning the marketing communications of any of our products or services.
RI 418: Customer Privacy (2016)		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	IPG has not identified any substantial complaints received concerning breaches of customer privacy.

Appendix SASB CONTENT INDEX

Reporting Period: January 1 – December 31, 2024

TOPIC	SASB CODE	METRIC	IPG PHOTONICS CORPORATION RESPONSE
Greenhouse Gas Emissions	TC-SC-110a.1	(1) gross global Scope 1 emissions (2) amount of total emissions from perfluorinated compounds	(1) 20,887 metric tons CO ₂ e. (2) 78.60 metric tons of CO ₂ e.
	TC-SC-110a.2	Discussion of strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	See section Energy and Emissions on page 11 of the 2025 Sustainability Report
Energy Management in Manufacturing	TC-SC-130a.1	(1) total energy consumed, (2) percentage grid electricity, and (3) percentage renewable	(1) 617,897 GJ (2) 34% (of total energy consumed) (3) IPG does not disclose this information at this moment.
Water Management	TC-SC-140a.1	(1) total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	(1) 110,981 cubic meters. (2) Water consumption data currently is not captured. Total water withdrawn in regions with High or Extremely High Baseline Water Stress, represented by our facilities in Oviedo, Florida: 0.02%
Waste Management	TC-SC-150a.1	(1) amount of hazardous waste from manufacturing, (2) percentage recycled	(1) 356 metric tons (2) Hazardous waste is processed by external waste services, approximately 19% was recycled in 2024.
Employee Health and Safety	TC-SC-320a.1	Description of efforts to assess, monitor and reduce exposure of employees to human health hazards	See page 18 of the 2025 Sustainability Report and GRI 403: Occupational Health and Safety section of the GRI index.
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations (USD)	\$0

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TOPIC	SASB CODE	METRIC	IPG PHOTONICS CORPORATION RESPONSE
Recruiting and Managing a Global and Skilled Workforce	TC-SC-330a.1	Percentage of employees that are: (1) foreign nationals and (2) located offshore	(1) Foreign employees: 14% (2) Offshore employees: 0.02%
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances (%)	0% See page 23 of the 2025 Sustainability Report
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	See page 23 of the 2025 Sustainability Report
IP Protection and Competitive Behavior	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations (USD)	In FY24, IPG did not incur monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations.
Product Safety	RT-EE-250a.1	Number of recalls issued, total units recalled	0
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	0
Business Ethics	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	0

