

Non-financial Group Report 2025



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1. GENERAL INFORMATION

ESRS 2 - GENERAL INFORMATION

BP-1 General basis for preparation of the sustainability statements

The STS Group¹ publishes a non-financial report for the 2025 fiscal year in accordance with Sections 289b-e of the German Commercial Code (HGB) and the CSR Directive Implementation Act (CSR-RUG) as a separate report. The Group is also subject to the EU Taxonomy Regulation (*Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020, on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (Text with significance for the EEA)*). For this reason, the taxonomy eligibility of economic activities and the taxonomy alignment of the identified eligible activities were reviewed again for the year 2025, and the corresponding key figures (revenue, CapEx, and Opex) were collected. The taxonomy report is included in the chapter about Environmental Information.

This non-financial report was prepared on a consolidated basis. The underlying scope of consolidation corresponds to that of the consolidated financial statements for the fiscal year from January 1 to December 31, 2025. All subsidiaries of the STS Group have been included in this non-financial Group report. There are no differences between the scope of consolidation of the non-financial Group report and the Group financial report.

Due to European legal developments regarding sustainability reporting with the adoption of the CSRD (Corporate Sustainability Reporting Directive) and the ESRS (European Sustainability Reporting Standards), the STS Group began adapting its processes at the end of 2023 and preparing for the latest requirements regarding sustainability reporting. The STS Group is currently in the process of gradually implementing the ESRS requirements as part of its preparation for the mandatory CSRD reporting. This non-financial report is oriented to the ESRS.

As part of the non-financial Group report and the double materiality analysis (DMA), the upstream value chain was taken into account with a focus on Tier 1 suppliers from whom the STS Group sources raw materials and semi-finished products. In examining the downstream value chain, the manufacturers of cars and commercial vehicles (OEMs) were considered, who

¹ The term "STS Group" refers to STS Group AG and all of its subsidiaries.

are direct business customers of the STS Group and for whom the STS Group acts as a Tier 1 supplier.

No information was specifically omitted from the non-financial Group report for reasons of protecting intellectual property, know-how, or innovation outcomes.

BP-2 Disclosures in relation to specific circumstances

The non-financial Group report uses the same definitions of medium- and long-term time horizons as in ESRS 1, Section 6.4, namely:

- The short-term time horizon corresponds to the reporting period on which the company bases its financial statements;
- The medium-term time horizon covers the period from the end of the short-term time horizon up to five years;
- The long-term time horizon covers all periods exceeding five years.

Unless otherwise noted, information on the value chain in this sustainability report is based on estimates from indirect sources. This primarily concerns Scope 3 emissions. Depending on data availability, the following calculation methods were applied:

Expenditure-based method (spend-based): Emissions for Categories 1 (purchased goods and services), 2 (capital goods), 4 (upstream transport and distribution services), and 9 (downstream transport and distribution services) were determined based on purchasing expenditures. In this process, the financial data were assigned to the corresponding commodity categories in the USEEIO v1.4 model to determine the appropriate emission factors.

- Average-Data Method: For categories 3 (fuels/energy), 5 (waste), 6 (business travel), and 10 (processing of sold products), activity-based data were used, such as supplier invoices for natural gas and electricity, liter and kilometer data, or internal metrics.
- Hybrid method: For category 12 (end-of-life), a combination of physical waste quantities and expenditure-based data was used.

The reported figures should be understood as the best possible estimates based on the information available at the time of reporting. The associated degree of uncertainty stems in particular from the availability and quality of data along the value chain, the granularity of the underlying expenditure and procurement data, and the assignment to appropriate sectors or emission factors. Improving data quality through the transition from expenditure-based

methods to activity-based data has been identified as a medium- to long-term measure to increase accuracy. Currently, the required activity data is not uniformly available across the company. This is being addressed by working groups focused on the harmonization and standardization of data systems, with the aim of enabling more detailed and verifiable activity data sets in future reporting cycles.

In addition to the estimates described above for certain categories of Scope 3 emissions, assessments and estimates were also used as part of the double materiality analysis when quantifying the financial materiality of the analyzed topics (outside-in perspective), particularly to assess the magnitude and likelihood of potential financial impacts.

All information and data disclosed by the STS Group regarding its own activities and the value chain are based on actual calculated data unless otherwise stated. To facilitate understanding of the information presented, all relevant background information was supplemented in the appropriate sections.

To the extent that forward-looking statements are made in this non-financial report, they are based on assumptions and estimates as of the reporting date and may therefore be subject to uncertainties.

Compared to the previous reporting period, the basis for preparing and presenting sustainability information has been updated. Significant changes relate, in particular, to improvements in the double materiality analysis, the revision of ESRS relevant data points and the restructuring of the sustainability report to reflect the ESRS requirements more consistently.

As part of the current reporting, a disclosure in the EU Taxonomy reporting for the fiscal year 2024 was corrected. This correction relates to revenue associated with the economic activity "Acquisition and ownership of buildings." The affected disclosure was appropriately corrected for the purposes of the current report. The correction affected both the disclosed individual figure and the related percentages.

In addition to the IROs identified as material in the double materiality analysis, the topics of corruption and bribery were included in this report due to the statutory reporting requirements under CSR-RUG. Reporting on these topics is provided in the "G1 Corporate Governance" section.

The following is an overview of the ESRS disclosure requirements that were included in the report via cross-reference:

Chapter	Data Points	Reference Document	Chapter in the reference document
SBM-1 – Strategy, Business Model, and Value Chain	[ESRS 2-SBM-1.40.b]	Annual Financial Report 2025	Financial Performance, Financial Position, and Net Assets of the Group

GOV-1 The Role of the administrative, management, and supervisory bodies

As a German stock company, the STS Group AG has a dual management system consisting of a Management Board and a Supervisory Board in accordance with legal requirements. Since 2022, the Management Board has consisted of one member, Mr. Alberto Buniato, who, as CEO, is responsible for the management of the company and for representing the company externally. He leads STS Group AG with the goal of sustainable value creation and in the best interests of the company. Below the Management Board level are the managing directors of the Plastics and Materials, as well as China segments. These are Mr. Philippe Bridgode, who is responsible for the first two segments, and Mr. Wang Sofield for the China one. The Supervisory Board currently consists of three members elected by the Annual General Meeting and has the primary task of supervising and advising the Management Board in the management of the company. The Adler Pelzer Group has been the majority shareholder of the STS Group since June 2021. This marked the beginning of a strategic realignment aimed at further expanding the promising lightweight solutions for commercial and electric vehicles. In addition, the STS Group's strategic focus on sustainability was aligned with that of the Adler Pelzer Group to best meet customer requirements for specific sustainability standards.

All STS Group locations have a works council, with the exception of the locations in Kandel (due to the small number of employees) and Salem (since the location has only been in operation for a relatively short time). This ensures that the interests of the workforce are represented in decision-making processes. The Supervisory Board currently has no employee representatives pursuant to Section 4(1) of the One-Third Act (DrittelbG) or Section 7(1), sentence 1, of the Co-Determination Act (MitbestG) or other co-determination regulations, as the relevant requirements are not met.

The Management Board and all members of the Supervisory Board possess the competencies deemed essential in light of STS Group AG's business activities. These include many years of experience and in-depth knowledge in the management of an internationally active company in the automotive industry, as well as in the areas of production, product development, strategic management, finance, and accounting.

The Management Board and Supervisory Board of STS Group AG pursue the goal of responsible, sustainable, and transparent corporate governance. They play a proactive role in monitoring and steering corporate governance. They aim to ensure that the ethical governance principles of the Code of Conduct and the compliance guidelines are integrated into business processes. The Compliance Officer regularly informs the Supervisory Board about issues related to business conduct, anti-corruption efforts, and compliance with legal regulations. The

Management Board of the STS Group determines corporate policy and develops the strategic direction of STS Group AG. It is responsible for ensuring compliance with legal requirements, regulatory provisions, and internal corporate policies.

The composition of the Supervisory Board is characterized above all by the diversity of its members' professional and academic backgrounds. They specialize in business administration, controlling, law, and corporate governance. This ensures a broad spectrum of expertise and competencies, which is intended to enable an effective oversight function and secure the Group's long-term economic success. The ratio of women is 0% on both the Management Board and the Supervisory Board. The Management Board and the Supervisory Board believe that the decisive factor in selecting candidates is that they possess the necessary knowledge, skills, and professional and personal experience to properly fulfill their duties. These requirements are not tied to gender, gender identity, or other diversity characteristics.

The current members of the Supervisory Board and their close family members have no personal or business relationship with STS Group AG or its Management Board that could give rise to a material and not merely temporary conflict of interest. The Supervisory Board does not include any former members of the Management Board, nor have the members of the Supervisory Board, either currently or in the year prior to their appointment, maintained a significant business relationship with the company or any of its subsidiaries—either directly or as shareholders or in a position of responsibility at a company outside the Group (e.g., as a customer, supplier, lender, or consultant). There are no family ties to members of the Management Board, and the term of office of the Supervisory Board members was three years prior to their reelection, and thus less than 12 years. Even with the reelection of the Supervisory Board members at the Annual General Meeting of STS Group AG on June 13, 2024, until the conclusion of the Annual General Meeting that decides on the discharge for the fiscal year 2026, the 12-year limit will not be exceeded. The members of the Supervisory Board of STS Group AG are therefore to be regarded as independent of the company and its Management Board within the meaning of Section C.7(1) of the DCGK (Deutsche Corporate Governance Kodex).

In addition, two of the current three members of the Supervisory Board (approx. 66.7%) are also independent of the controlling shareholder within the meaning of Section C.9(2) and Section C.10 of the DCGK. The Chairman of the Supervisory Board, Mr. Paolo Scudieri, and Supervisory Board member Mr. Pietro Gaeta are independent of the controlling shareholder. Neither the two aforementioned members of the Supervisory Board nor any of their close family members are controlling shareholders. Nor do they serve on the Management Board of the controlling shareholder of STS Group AG, nor do they have any other personal or business relationship with the controlling shareholder of that could give rise to a material and not merely

temporary conflict of interest. Mr. Paolo Scudieri is merely a member of the management of several group companies of the controlling shareholder.

In contrast, the other Supervisory Board member, Pietro Lardini, who will remain Chairman of the Audit Committee—which must now be established—even after his re-election, is independent of the Management Board of STS Group AG but, due to his position on the governing body of the controlling shareholder, is not independent of the controlling shareholder. STS Group AG is convinced that this constitutes a material and not merely temporary conflict of interest. Due to the takeover by the controlling shareholder and the resulting need at the time for a rapid change in the members of the Supervisory Board, Mr. Pietro Lardini's lack of independence was temporarily accepted, and since this conflict of interest has not yet had any negative effects, it continues to be accepted. For this reason, a deviation from the recommendation in Section C.10, Sentence 2 of the DCGK was also stated in the Declaration of Conformity.

All members of the Supervisory Board comply with the limitation on Supervisory Board mandates recommended in Sections C.4 and C.5 of the DCGK. In addition to their service on the Supervisory Board of STS Group AG, none of the Supervisory Board members serve on other supervisory bodies; however, all members hold comparable supervisory positions in commercial enterprises. These supervisory positions relate exclusively to unlisted group companies of the majority shareholder. Furthermore, the number of such supervisory positions is limited to one per member.

Supervisory Board members do not hold executive positions or perform advisory roles at significant competitors of STS Group AG; nor do they have any personal relationships with a significant competitor of STS Group AG.

The STS Group has clearly defined responsibilities in regard to ESG topics. ESG management refers to an organization's responsibilities, structures, policies, rules, and oversight regarding material sustainability issues. The Management Board and the Supervisory Board of the STS Group address all material sustainability issues and the associated impacts, risks, and opportunities (IROs) that are material to both the STS Group and the Adler Pelzer Group. The Supervisory Board has explicit responsibility to approve STS Group's non-financial report annually.

Management Level: The Management Board manages the Group with the aim of creating sustainable value and acting in the Group's best interests. It also ensures compliance with legal provisions, regulatory requirements, internal company policies, and sustainability reporting obligations. The Management Board is responsible for setting sustainability targets in consultation with the Chief Sustainability Officer (CSO). The Management Board is also

responsible for ensuring that topics such as the implementation of due diligence processes, the effectiveness of policies, and progress toward achieving sustainability goals are communicated in a timely manner. The Management Board of the STS Group is also a member of the Executive Committee of the Adler Pelzer Group, which is chaired by the CEO of the Adler Pelzer Group. The CSO of the Adler Pelzer Group reports monthly to the Executive Committee on sustainability topics such as CO₂ reduction, energy efficiency, and occupational safety, as well as relevant material IROs. Supporting structures such as committees and ad hoc resolutions enable timely responses to critical sustainability issues.

Supervisory Level: The Supervisory Board regularly discusses business performance and planning, as well as corporate strategy and its implementation. It is kept informed through quarterly meetings, detailed reports, and, when necessary, prioritized updates on significant legal developments, sustainability impacts, risks, and opportunities. The Supervisory Board's responsibilities also include primary oversight of the whistleblower system (channel) and ensuring that reports are investigated promptly and that whistleblowers are protected from retaliation. Since the Company's Supervisory Board consists of only three members in accordance with the Articles of Association, no committees are formed—with the exception of the Audit Committee, which is required by law and is responsible for monitoring the effectiveness of the Company's internal control, audit, and risk management systems. The members of the Supervisory Board also constitute the Audit Committee. All members of the Audit Committee focus in particular on financial reporting, accounting principles, the internal control and risk management system, and the audit of the financial statements. Assessments of sustainability aspects and sustainability risks, conducted by the CSO in coordination with the ESG Core Team and the Risk Department, serve as the basis for the Supervisory Board's decisions regarding the adoption of appropriate policies for business conduct and risk management.

Additional Supervisory Body: The CEO of the Adler Pelzer Group also chairs the Executive Committee, which is responsible for reviewing and approving sustainability topics and the non-financial statement.

Additional ESG Responsibilities: The STS Group also has a cross-functional ESG Core Team (corresponding to that of the Adler Pelzer Group), which is led by representatives from various business units (including Health & Safety, Research & Development, HR, and Purchasing). The ESG Core Team is responsible for managing and coordinating sustainability issues. One level higher is the ESG Cross-Functional Team, which is led by the CSR Manager and CSO. The ESG Cross-Functional Team is responsible for decision-making and cross-functional information exchange. In addition, the STS Group has a Compliance Officer. This officer not only ensures compliance with internal guidelines and the Code of Conduct but also conducts targeted risk

assessments to identify potential areas for misconduct or regulatory violations.

When selecting candidates for the Supervisory Board, the company ensures that they possess the necessary knowledge, skills, and professional and personal experience to properly fulfill their duties, including with regard to sustainability issues relevant to the company. The Supervisory Board has repeatedly failed to adopt a resolution setting specific targets for the composition of the Supervisory Board or a competency profile for the entire body. The latter should also include expertise on sustainability issues important to the company.

The professional expertise of the management and supervisory bodies enables the identification of opportunities for the STS Group arising from the transformation of the mobility industry. One example of this is the development of innovative, lighter components that directly contribute to reducing customers' emissions.

The management and supervisory bodies engage in direct and regular dialogue with the CSO as well as with external experts and consultants to supplement specialized expertise, for example, on environmental management or specific human rights due diligence obligations. The CSO reports monthly to the Management Board and the Supervisory Board on sustainability issues relevant to the STS Group and the Adler Pelzer Group. To gain a deeper understanding of ESG topics, the CSO regularly participates in internal briefings and subject-specific training sessions, particularly on topics such as "Environmental Management," "Sustainable Finance," "Social Issues in ESG," "Sustainable Corporate Governance," "Managing and Leading Change," and "Sustainable Project Management."

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

The reporting formats used by management and supervisory bodies to stay informed about sustainability aspects were described in detail in the previous section, GOV-1.

The STS Group anchors its responsibility for environmental, social, and governance issues in group-wide guidelines, policies, and management systems derived from the Adler Pelzer Group as the parent company and majority shareholder. The measures for implementing sustainability issues are derived from the sustainability strategy and the corresponding guidelines of the Adler Pelzer Group. Sustainability-related principles are integrated into strategic decision-making processes. Regular communication between the management and supervisory bodies and the CSO ensures that sustainability-related risks and opportunities are also integrated into the STS Group's strategic planning. Sustainability issues, in particular CO₂

reduction, energy efficiency, and workplace safety, are an integral part of the STS Group's strategic planning and product development. The reporting of the CSO on material sustainability opportunities and risks serves as the basis for the Supervisory Board's decisions regarding sustainability issues and corresponding policies.

The list of all material impacts, risks, and opportunities addressed by the administrative, management, and supervisory bodies during the reporting period includes all topics specified in Section SBM-3 "Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model."

GOV-3 Integration of sustainability-related performance into incentive schemes

During the reporting year, no sustainability-related criteria were incorporated into the incentive or compensation systems of the administrative, management, and supervisory bodies.

GOV-4 Statement on due diligence

The STS Group is committed to its responsibility to avoid, mitigate, or remedy any negative impacts of its business activities on people and the environment. The approach to fulfilling due diligence follows internationally recognized standards, in particular the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The following table is intended to provide a transparent understanding of how the STS Group fulfills its responsibilities regarding environmental, social, and governance issues and integrates them into its decision-making and business processes.

Core Elements of Due Diligence	Paragraphs in the non-financial group report
Embedding due diligence in governance, strategy, and business model	ESRS 2-GOV-1: The role of the administrative, management, and supervisory bodies; ESRS 2-GOV-2: Information and sustainability issues addressed by the company's administrative, management, and supervisory bodies; ESRS 2-SBM-3: Material impacts, risks, and opportunities and their interplay with strategy and business model.

Engaging with affected stakeholders in all key steps of due diligence	ESRS 2-GOV-2: Information and sustainability issues addressed by the company's administrative, management, and supervisory bodies; ESRS 2-SBM-2: Stakeholder interests and perspectives; topical ESRS S1-SBM-2 and S2-SBM-2 and ESRS 2 MDR-P; ESRS 2-IRO-1: Description of the process for identifying and assessing material impacts, risks, and opportunities; S1-2: Process for engaging the company's own workforce and employee representatives regarding impacts; S2-2: Process for engaging workers in the value chain regarding impacts.
Identifying and assessing adverse impacts	ESRS 2-IRO-1: Description of the process for identifying and assessing significant impacts, risks, and opportunities; ESRS E1-1 - Disclosure requirement related to ESRS 2 IRO-1; ESRS E2-1 - Disclosure requirements related to ESRS 2 IRO-1; ESRS E4-1 - Disclosure requirements related to ESRS 2 IRO-1; ESRS G1-1 - Disclosure requirements related to ESRS 2 IRO-1; ESRS 2-SBM-3: Significant impacts, risks, and opportunities and their interaction with strategy and business model; ESRS E1.SBM-3.18-19 Disclosure requirements in connection with ESRS 2 SBM-3; ESRS S2.10-13 Disclosure requirements related to ESRS 2 SBM-3; ESRS S1.13-16 Disclosure requirements related to ESRS 2 SBM-3.
Taking actions to address those adverse impacts	E1-3: Measures and resources related to climate strategies; E5-2: Measures and resources related to resource use and the circular economy; S1-3: Procedures for addressing adverse impacts and channels through which the company's workforce can raise concerns; S1-4: Measures related to significant impacts on the company's own workforce, as well as significant risks and opportunities; S2-3: Procedures for addressing adverse impacts and channels through which workers in the supply chain can raise concerns; S2-4: Measures related to significant impacts on workers in the supply chain, as well as significant risks and opportunities.

Tracking the effectiveness of these efforts and communicating	The STS Group reviews the effectiveness of its efforts to address material adverse impacts by tracking the achievement of targets and the progress of implemented measures. The effectiveness is communicated through reporting in the respective topic-related chapters E1, E5, S1, S2, and G1, in particular through the information on targets and the tracking of effectiveness.
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GOV-5 Risk management and internal controls over sustainability reporting

The STS Group has established procedures and systems for risk management as well as internal control mechanisms that also support sustainability reporting. The operational preparation of the sustainability report is coordinated by the ESG Cross-Functional Team (led by the CSR Manager and CSO) as a collaborative process with the relevant functional departments (including HR, Risk Management, Procurement, and Compliance). The STS Group is supported in this process by external ESG consultants in monitoring legal requirements as well as in planning and facilitating workshops. The collection and consolidation of information on material data points takes place in an Excel-based working document that is regularly updated.

Significant sustainability-related risks identified through the double materiality analysis and the climate risk analysis are integrated into the Group-wide risk management system and monitored and managed in accordance with the procedures set forth in the risk management handbook, which is continuously updated. The assessment and prioritization were conducted in the same manner as for other financial risks. In principle, only risks exceeding a gross threshold of EUR 1 million are considered. The primary responsibility for the risk management process lies with the Management Board. To support the implementation of the risk management process and the administration of the risk management tool, risk managers (RM) for the business units (BU) were appointed by the CEO. They are supported by the risk management team, which includes the finance directors, the plant managers, and the purchasing and sales managers. Decisions regarding the involvement of additional functions are made as needed.

The STS Group has identified two key risk areas arising from the sustainability reporting process:

- **Regulatory dynamics and technical complexity:** The requirements for sustainability reporting are subject to significant change and increasing complexity. There is a risk of misinterpretation when implementing legal requirements, which necessitates continuous technical analysis. To address this risk, significant investments in human

resources as well as in employee training and development are necessary. In addition, the need for specialized expertise leads to rising external consulting costs and a corresponding strain on budget planning.

- **Data consistency and global data collection processes:** Another significant operational risk lies in the complexity of data collection. Due to the STS Group's decentralized structure with global locations and offices, ensuring data completeness and quality poses a challenge. The consolidation of heterogeneous data streams from different regions carries the risk of process delays or errors in reporting unless robust, cross-location control mechanisms are established.

To support the completeness and timeliness of reporting, responsibilities within the company are defined for individual material data points, and the necessary information is collected and reviewed for timeliness at least annually. The maturity level or status of data availability is documented in the central working document for each data point using a scale. For individual data points, a second feedback may be requested from the responsible department or person as part of the consultation process if additional information or clarifications are required. Additionally, the Group plans, in coordination with the Adler Pelzer Group, to implement an ESG software for the collection and management of ESG data. This is intended to simplify and streamline the collection process globally.

Sustainability reporting is subject to several internal review steps. The content of the report is reviewed by the relevant departments as well as by the ESG Core Team, and is subject to the four-eyes principle and content plausibility checks. The Management Board conducts a final review. The CSO, together with the Executive Committee, reviews the sustainability topics and the non-financial report.

The formal and final approval of the non-financial report is granted by the Supervisory Board.

SBM-1 Strategy, business model, and value chain

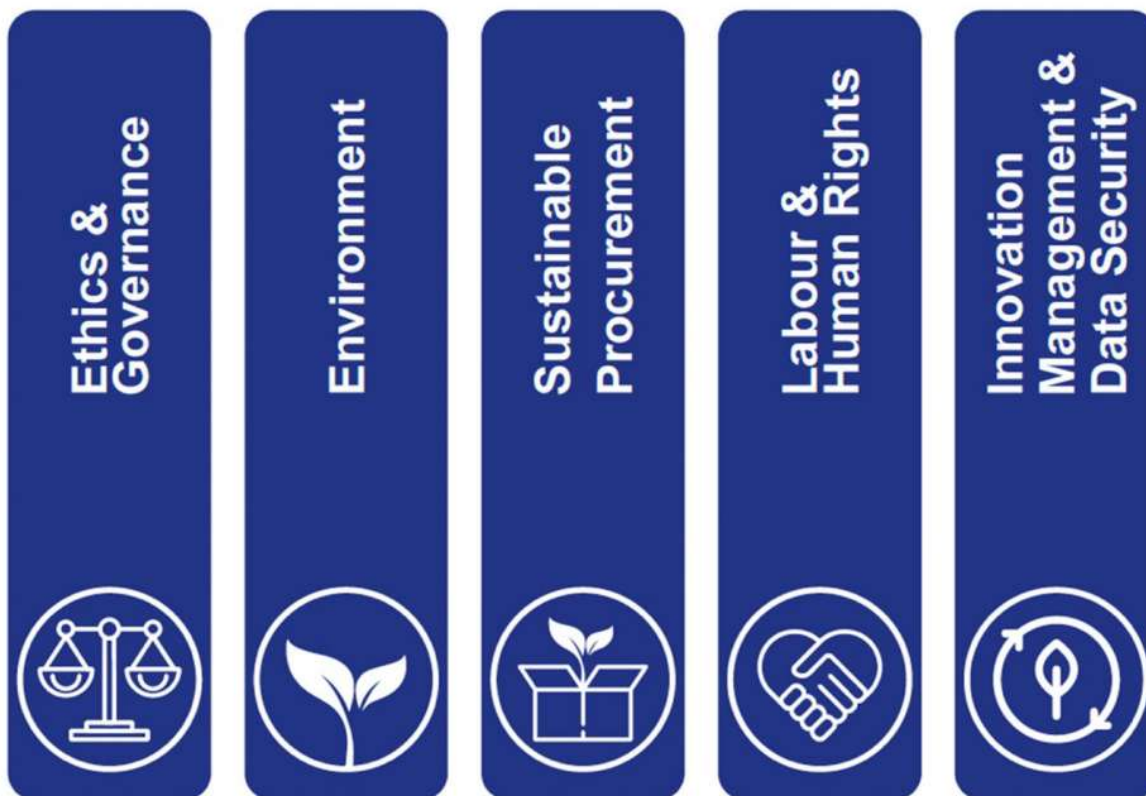
The STS Group offers its customers a wide range of system solutions and components for the interior and exterior trim of trucks, commercial vehicles, and passenger cars. STS components enhance the vehicle's visual design, contribute to its aerodynamics, and ensure significant weight reduction through their lightweight construction. The STS Group develops and manufactures vehicle components using SMC (Sheet Molding Compound) technology, which efficiently replaces metal components and thereby contributes to reducing greenhouse gas emissions from vehicles by lowering their overall weight.

Sustainability is an integral part of the STS Group's corporate strategy and is aligned with the Adler Pelzer Group's sustainability strategy, which in turn focuses on four key megatrends in the automotive industry:

- global development and local production
- electromobility
- transition to autonomous and connected driving
- sustainability and corporate responsibility

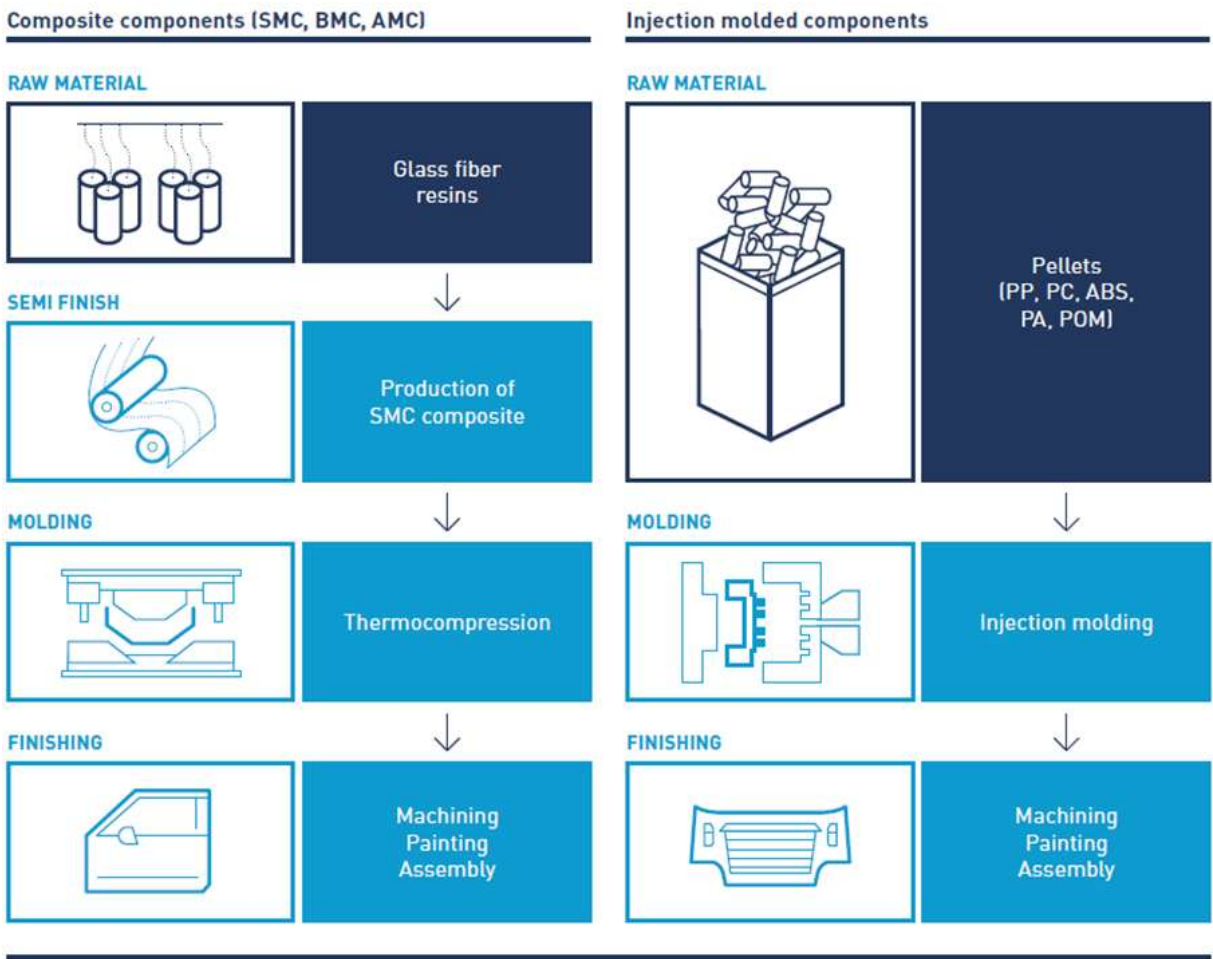
The STS Group manufactures products (lightweight components) that make vehicles future-proof by making significant contributions to weight reduction and, consequently, to the reduction of CO₂ emissions. Therefore, key sustainability issues including the reduction of CO₂ emissions and resource efficiency, shape the corporate strategy and related implementation measures. Under the motto *"Think Sustainable, Act Responsible,"* the STS Group pursues the goals of a more sustainable business model to make its contribution to the environment. The Group's sustainability management is based on five pillars that guide the identification and evaluation of material sustainability issues:

5 Pillars of Sustainability



Detailed information on the management of material IRDs, including policies, measures, and targets, can be found in the respective chapters on the topical ESRS.

Due to its high degree of vertical integration, the STS Group is able to map the entire manufacturing process of each component from design to the finished product. Production facilities and logistics are primarily designed for small and medium-sized production runs, as are typical for light to heavy commercial vehicles, but also for special models and electric mobility or weight-optimized plastic solutions, which are increasingly common in the passenger car sector.



A fundamentally decentralized and local procurement strategy is in place: Each STS production facility primarily works with national or continental suppliers. Customers included in the analysis of the downstream value chain include manufacturers of automobiles and commercial vehicles (OEMs), for whom the STS Group acts as a Tier 1 supplier. The STS Group's production facilities are located in close geographical proximity to the respective customer plants, ensuring efficient collaboration.

As of the end of the 2025 fiscal year, the STS Group operates thirteen plants in five countries across three continents:

OVERVIEW LOCATIONS



The STS Group combines the manufacturing technologies of injection molding and hot and cold compression molding of composites. It manufactures the semi-finished products and the composites themselves in order to respond as flexibly as possible to customer-specific requirements.

The STS Group's business activities are managed according to product types and geographic aspects. This principle is reflected in the following segmentation of business activities:

Plastics: This segment manufactures a wide range of exterior body parts and interior modules for trucks, other commercial vehicles, and passenger cars. It includes hard-trim products made from injection molding and composite materials such as SMC (Sheet Molding Compound) or glass-fiber-reinforced thermoset semi-finished products. Due to its numerous positive properties, such as high stiffness and heat resistance, this semi-finished product plays an important role in automotive production. It frequently replaces structural metal parts and makes a significant contribution to the covering of battery systems in electric vehicles. The Plastics segment has production facilities in Europe and Mexico. Customers in North America are supplied from Mexico and the U.S. Hard-trim systems are used in commercial vehicles, e.g., for exterior parts (e.g., front modules, roof modules, and other aerodynamic fairings) or interior modules ("bunk box"

under the driver's bed and shelving elements), and in passenger cars, e.g., for structural parts (tailgate). In addition, the segment has its own capabilities for painting plastics.

China: Activities in the Chinese market are concentrated in this segment. These include supplying customers with plastic parts for vehicle exterior trims, primarily for the cabs of commercial vehicles, but increasingly also for passenger cars. The product range offers solutions and components for commercial vehicles such as bumpers, front panels, deflectors, roofs, fenders, and running boards, as well as parts for passenger cars ranging from battery covers for electric vehicles to complex structural parts, such as the tailgate for SUVs. Composite pressing processes and injection molding technology are used in this context. In addition, the segment has its own capabilities for painting plastics.

Materials: This segment encompasses the development and production of semi-finished products (Sheet Molding Compound - SMC), fiber-reinforced molding compounds (Bulk Molding Compound - BMC), and advanced fiber-reinforced molding compounds (Advanced Molding Compound - AMC). The semi-finished products are used both internally within the Group for hard-trim applications and supplied to external third parties. During the development of these base materials, it is already possible to influence key parameters of the end product.

The STS Group pursues the strategic goal of further expanding its portfolio of promising lightweight solutions for commercial and electric vehicles. The focus of the corporate strategy is therefore on the future markets of lightweight components and e-mobility. As one of the leading suppliers of components and systems for the automotive industry, the STS Group focuses on composite components and injection molding from the initial concept to the finished product. STS products are designed to make vehicles future-proof by making significant contributions to weight reduction and thus to the reduction of CO₂ emissions. In addition, the STS Group's products improve the appearance, feel, and functionality of vehicles.

The STS Group's growth strategy is based, on the one hand, on process optimization through increased automation of manufacturing processes, and on the other hand, on addressing technological trends such as autonomous driving and e-mobility. The Group's mission is to manufacture and deliver innovative system solutions for smart transportation and sustainable growth. To expand its competitive position and ensure future profitability, the Group focuses on four strategic pillars:

- Market Leadership
- Technology leadership

- Customer proximity
- Effective production systems

In 2020, the STS Group decided to focus on the core technologies of injection molding and composite materials. This was followed by the sale of the Acoustics segment to the Adler Pelzer Group. This marked the beginning of a strategic realignment aimed at further expanding the promising lightweight solutions for commercial and electric vehicles. As of December 31, 2025, the Adler Pelzer Group holds 74.42% of the shares in STS Group AG. The process of implementing the Adler Pelzer Group's CSR strategy was advanced and completed between 2022 and 2024 to align the STS Group's strategic direction with that of the Adler Pelzer Group regarding sustainability and to best meet the requirements of customers and suppliers for specific sustainability standards. In addition, the processes for collecting non-financial performance indicators were aligned with the Adler Pelzer Group's policies.

The number of STS Group employees is broken down by geographic region as follows. For more information, see the section on "S1: Company Workforce."

Employees by Country	Number of employees as of December 31, 2025
Germany	24
France	867
USA	137
Mexico	101
China	302
Total	1,431

STS Group is integrated into the value chain of its customers (B2B) and suppliers with global supply chains. The raw materials and semi-finished products from the upstream value chain that are essential for STS production are:

- Raw materials for thermosets (SMC): glass fibers, resins, fillers
- Raw materials for injection molding: thermoplastics
- For surface finishing: coatings

- Semi-finished products: steel and plastic parts, customer-specified components (e.g., lamps, electronics) that are assembled with STS parts
- Other products used: SMC (Sheet Molding Compound), IMC (In-Mold Coating), chemicals, adhesives.

Raw materials and semi-finished products from suppliers are processed at STS Group into components and products intended for internal use or external distribution. The key elements of the company's own activities in the value chain include technology, human resources, and financial capital.

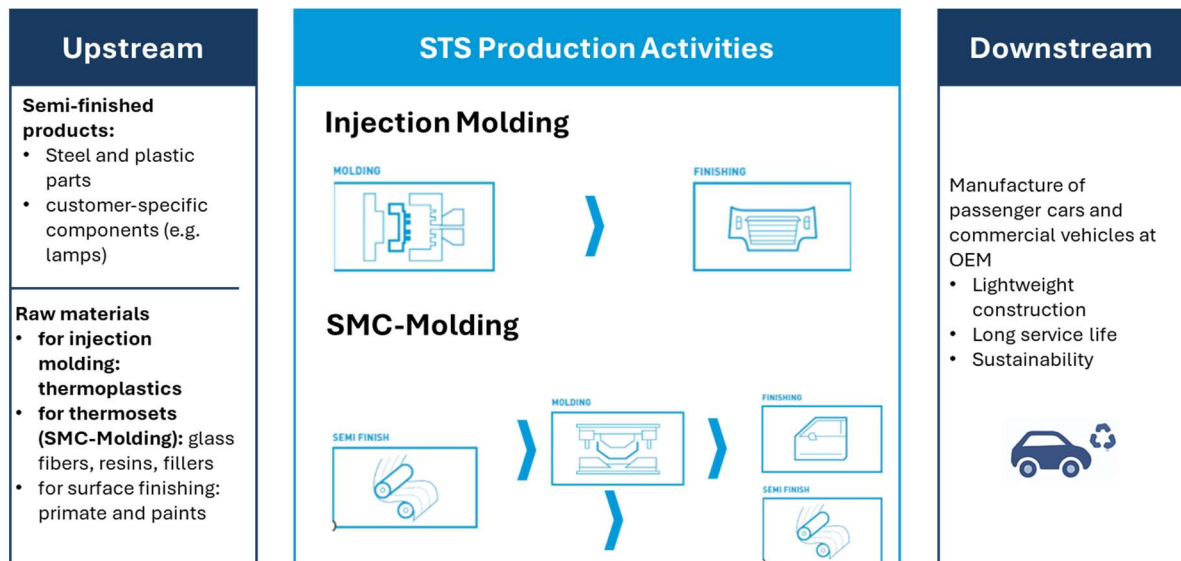
Geographic distribution of Tier 1 suppliers and material origin:

STS Location	Main locations of Tier 1 suppliers	Origin of raw materials / semi-finished products
STS France	Europe (Belgium, Germany, France, Italy, Netherlands, Austria); Turkey	Europe. Exceptions: glass fibers from Mexico, thermoplastics from Korea and Israel, steel parts from Turkey
STS China	China	China. Exceptions: magnesium oxide from Israel, phosphoric acid esters (additives for SMC) from Germany
STS US/Mexico	France, USA, Mexico	Mostly from France (in-house from the plant in Tournon, MCR (Mixt Composites Recyclables SAS)); USA, Mexico, Taiwan

Customers included in the analysis of the downstream value chain include manufacturers of cars and commercial vehicles (OEMs), for whom the STS Group acts as a Tier 1 supplier.

STS Group products are primarily transported to customers by truck. Air and sea freight are used only when necessary. Rail is not used as a mode of transport.

Graphical representation of the STS Group's value chain:



SBM-2 Interests and views of stakeholders

The STS Group engages in continuous dialogue with its stakeholders to understand their interests and expectations and considers these when developing measures to address sustainability-related concerns. The involvement of key stakeholders aims to create transparency regarding their concerns and to incorporate the results of the dialogue into the development of the sustainability agenda as well as into the monitoring of selected aspects of the strategy and business model. With regard to sustainability issues, the dialogue with key stakeholder groups covers topics such as adaptation to climate change, energy consumption, employee protection, and corporate culture. The insights gained from the dialogue and identified as relevant are summarized and evaluated by the ESG Cross-Functional Team and incorporated into the relevant decision-making and management processes of the STS Group.

[ESRS S1.12 – Disclosure requirement related to ESRS 2-SBM-2 – Interests and views of stakeholders]

At the STS Group, the interests and rights of employees – including respect for their human rights – have a fundamental influence on the company's strategy and business model. Dialogue with employees takes place through regular performance reviews, site-specific town hall meetings, and close collaboration with employee representatives and works councils. In addition, internal communication channels are used to provide information on sustainability issues. The goal is to create a safe and healthy work environment and to give employees the opportunity to pursue personal development and contribute their expertise and commitment to the company. The STS Group's principles regarding labor and human rights issues comply with international standards, including the UN Guiding Principles on Business and Human Rights as well as the local legal frameworks of the respective locations.

[ESRS S2.9 – Disclosure requirement related to ESRS 2-SBM-2 – Interests and views of stakeholders]

For the STS Group, achieving sustainability goals is only possible through stable and sustainable business relationships with its suppliers and business partners. Regular communication and monitoring of all relevant business partners are intended to ensure higher quality standards in product manufacturing and compliance with international and national standards—including the Supply Chain Due Diligence Act. Business relationships with core suppliers (focus on Tier 1) are integrated into the STS Group's business model and corporate strategy, as a stable supply chain supports efficient production processes and mitigates risks that may arise from supply bottlenecks or non-compliance with human rights and environmental standards. The STS Group is committed to avoiding negative impacts on human rights throughout its global value chain. The relevant principles are enshrined in various policies, including the Group's "Code of Conduct for Suppliers," "Policy Statement LkSG," and "Human Rights Statement."

Further information on the communication and interaction channels with employees and suppliers/business partners is provided in the table below.

The STS Group's key stakeholders, information on the opportunities and challenges arising from interaction, and the channels of interaction with each stakeholder group are listed in the table below.

Stakeholders	Stakeholder Interests and Concerns	Communication Channels and Engagement by the STS Group
Management Board	Strong corporate performance enhances the credibility and recognition of the Management Board; corporate development; variable compensation; opportunities for skills development and career advancement	Regular executive meetings; emails; reports; daily business
	Legal risks; reputational damage; corporate underperformance	
Supervisory Board	Improved reputation through positive corporate performance	Board meetings; emails; reports; ad hoc communication
	Legal risks; reputational damage	
Major shareholders	Economic interdependence: The performance of the STS Group influences the performance of the ADLER PELZER GROUP and vice versa; Strategic alignment; Synergies	Shareholder meetings; day-to-day business
	Reputational risks; Financial difficulties	
Investors	Company's financial performance; Growth; Share price appreciation; Profitability; Trust	Shareholder Meetings; Annual General Meetings; Press Releases; Ad-Hoc Announcements; Brokerage Platforms; Online Platforms
	Economic risk; Loss of trust	

Stakeholders	Stakeholder Interests and Concerns	Communication Channels and Engagement by the STS Group
Employees	Recognition and fair treatment promote productivity and engagement; Opportunities for skill development and career advancement; Safe and stable working conditions; Inclusive work culture; Work efficiency; Increased productivity	Regular meetings and town halls; Whistleblower system; policies (CoC); Works councils and unions; Printed information on the shop floor to reach employees without digital devices
	Stress and excessive workload; insecurity; dissatisfaction; poor performance	
Customers	High standards; high quality; offering of customized products; joint development; expertise	Regular meetings; online platform; social media; company website; marketing channels; roadshows; press releases; policies
	ESG risks; environmental performance; supply chain risks and production outages; employee strikes; reputational damage	
Suppliers	Strengthened partnership; new product development; synergies; timely payments	Monitoring and evaluating suppliers; Prewave software; communication when risks are identified; whistleblower system; policies
	Loss of revenue; Insolvency; Late payments; Disruption of the supply chain	
Accounts Payable	Strong financial performance; growth; market expansion	Direct negotiations; financial reports; notifications; communication through legal representatives in the event of disputes or late payments
	Default risk	
Authorities/Institutions	Compliance and trust; Economic stability; Trust	Regulatory filings; meetings; mail; emails; ad hoc audits and plant inspections
	Increased scrutiny by authorities, which impacts resources; reputational damage	
Affected Communities	Community engagement; Economic development; Job creation	Town Halls; Public Forums; Press Releases, Newsletters; Community Outreach Programs
	Environmental pollution; Unemployment	

The interests and viewpoints of key stakeholders are taken into account as part of the double materiality analysis through the involvement of internal, informed experts. Stakeholder perspectives are represented by individuals who, due to their roles at the STS Group, are in regular communication with the respective stakeholder groups. The double materiality analysis is subject to an annual review and updated as needed. A detailed description of the DMA process and stakeholder engagement is provided in section ESRS 2.IRO-1.

The Management Board and Supervisory Board of the STS Group are informed about the views and interests of affected stakeholders regarding material sustainability-related impacts through structured reporting channels. The CSO reports on these matters monthly to the Executive Committee of the Adler Pelzer Group. The Supervisory Board is regularly informed about material sustainability issues and the resulting stakeholder concerns during quarterly meetings as well as on an ad hoc basis. In addition, insights from dialogue with employees and customers, as well as reports from the anonymous whistleblower system – “Integrity Line” – are incorporated into the reporting. Where relevant, information from supplier evaluations is also considered, which supports the governing bodies in the strategic orientation and management of sustainability aspects.

SBM-3 Material Impacts, Risks, and Opportunities and their interaction with strategy and business model

The STS Group's double materiality analysis (DMA) identifies the following significant impacts (both positive and negative), opportunities, and risks (*IRO = Impacts, Risks, Opportunities*) that have been identified both in the Group's business activities and along the value chain, specifically among suppliers or customers.

E1 - CLIMATE CHANGE					
Subtopic	Sub-subtopic	IRO	Assignment along the value chain	Time horizon	IRO explanation
Climate Change Adaptation	Climate-related risks	Physical climate risk	Entire value chain	Short to medium term	Ramos site: Production interruptions, power outages, disrupted logistics, and shutdowns of critical facilities due to freezing events
		Physical climate risk	STS Group	Medium to long term	St. Désirat, Precigne, and Tournon sites: Due to their location, a significant risk of wildfires has been identified for all three sites
		Transition risk	STS Group	Medium term	Regulatory risk, particularly for sites in the EU, US, and Mexico, due to rising prices for greenhouse gas emissions
		Transition risk	STS Group	Short term	Regulatory risk, particularly for sites in the EU, US, and Mexico, due to the increase and variability of emissions reporting obligations
		Transition risk	STS Group	Medium term	Increased regulatory restrictions, particularly for sites in the EU, US, and Mexico, for existing products (e.g., coatings) or production processes that are to become more environmentally friendly
		Transition risk	STS Group	Medium term	Reputational risk, particularly for EU sites, due to failure to meet customer expectations and the latest ESG regulations,

					could lead to potential loss of customers and additional costs for remedial measures
		Actual positive impact	Customers	Short-term, medium-term, long-term	Reducing the carbon footprint of customers in the automotive sector through lightweight components from the STS Group
Climate Change Mitigation		Actual negative impact	Entire value chain	Long-term	CO ₂ emissions from production activities across the entire value chain
		Opportunity	STS Group	Medium-term, long-term	Increased demand for lightweight components from the STS Group driven by the need to mitigate climate change
Energy		Actual positive impact	Customers	Medium term	Reduction in energy consumption during vehicle operation thanks to lightweight components from the STS Group
		Actual negative impact	STS Group	Long term	Energy consumption for the STS Group's production processes
		Opportunity	STS Group	Long-term	Cost reduction and energy independence
E5 - CIRCULAR ECONOMY					
Resource inflows, including resource use		Actual negative impact	STS Group	Medium term, long term	Consumption of raw materials for product manufacturing
		Risk	STS Group	Medium term, long term	Reduced competitiveness due to high material consumption in production processes

		Potential positive impact	STS Group + Customers	Medium term, long term	Improved recyclability of products through eco-design
Resource outflows related to products and services		Actual negative impact	STS Group	Long term	Significant resource outflows with limited recyclability
		Risk	STS Group	Medium-term, long-term	Risk of losing orders if material outflow is not reduced
Waste		Actual negative impact	STS Group + Customers	Medium term, long term	Waste generated by production processes
S1 - OWN WORKFORCE					
Working Conditions	Collective bargaining including rate of workers covered by collective agreements	Potential negative impact	STS Group	Short-term	Employee dissatisfaction resulting from dialogue with works councils
	Working Time	Potential negative impact	STS Group	Short term	Negative impact on employee health and dissatisfaction due to significant exceeding of regular working hours
	Health and safety	Opportunity	STS Group	Short-term	A corporate culture that prioritizes accident prevention and the implementation of measures to ensure employee health and safety in the workplace can lead to increased productivity and an improved image for the STS Group

Equal treatment and opportunities for all	Diversity	Potential negative impact	STS Group	Short-term	Low employee motivation due to gender inequalities, particularly in leadership positions
	Diversity	Risk	STS Group	Short term	Low attractiveness for female employees due to lack of a women's quota
Other work-related rights	Child labor + forced labor	Opportunity	STS Group	Short-term	Improved reputation, better customer perception, particularly due to the prohibition of child and forced labor (through policy and supply chain monitoring)
S2 – WORKERS IN THE VALUE CHAIN					
Working Conditions	Secure Employment + Health and Safety	Potential negative impact	Suppliers	Medium term, long term	Financial pressure and hidden non-compliance resulting from STS's high standards and requirements may worsen the situation of employees on the supplier side
Other work-related rights	Child labor + forced labor;	Opportunity	STS Group	Short-term	Better reputation thanks to improved transparency in supplier relationships
G1 – BUSINESS CONDUCT					
Corporate Culture		Actual positive impact	Entire value chain	Medium term, long term	An exemplary corporate culture can have a positive impact on the work environment, suppliers, and customers
		Opportunity	STS Group	Medium term, long term	An exemplary corporate culture has a positive impact on the reputation of the STS Group

Management of relationships with suppliers, including payment practices		Actual positive impact	Suppliers	Medium term, long term	Satisfied and long-term suppliers thanks to the STS Group's timely payments to suppliers
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As a global automotive supplier, the STS Group is significantly impacted by issues such as decarbonization and global supply chains.

With regard to the topic of "climate change," various material IROs have been identified that affect the business activities of the STS Group as well as those of the upstream and downstream value chains. The STS Group's significant negative impacts on climate change result from GHG emissions from production processes (Scope 1 and 2), which are caused in particular by the energy requirements of these processes. Additionally, significant indirect impacts arise in the upstream and downstream value chains (Scope 3) due to suppliers' procurement processes and customers' manufacturing processes. These impacts give rise to transition risks: rising CO₂ prices and stricter regulatory requirements for production sites (especially in Europe) could increase operating costs. Furthermore, there are physical risks for production sites in regions such as Mexico or France, which would be vulnerable to extreme weather events. A key strategic opportunity lies in adapting the product portfolio: The increased demand from our customers (OEMs) for lightweight components to reduce vehicle emissions enables the STS Group to secure and expand market share through innovative R&D in the field of composite materials. These findings are directly incorporated into the Group-wide risk management system. They determine the strategy for decarbonizing manufacturing processes as well as the focus of R&D activities. This is intended to strengthen the STS Group's resilience to the physical consequences of climate change and the requirements of a climate-neutral economy.

[ESRS E1.SBM-3.18-19 Disclosure requirement related to ESRS 2 SBM-3]

For the resilience analysis, local experiences, strategic planning, and risk mitigation measures were discussed during workshops aimed at determining the financial materiality of the identified climate risks. The discussion of physical risks took place at the production site level. For transition risks, a regional or national perspective was considered. The financial impacts of the identified climate risks were estimated by the STS Group based on the corporate risk handbook. This took into account losses in revenue and orders, production interruptions, as well as direct investment and operating costs.

The STS Group based its resilience analysis on the newly conducted climate risk analysis (completed in early 2026). This serves as a starting point for identifying appropriate measures to adapt the strategy and business model to climate change. A formalized resilience strategy is currently being developed in alignment with the Adler Pelzer Group's strategy and is to be integrated into the future transition plan.

The timeframes used in the climate risk analysis were determined based on the timelines of the IPCC scenario projections and covered a time horizon up to the year 2099, as these are

best suited for assessing the development of hazards. They provide the most comprehensive and accurate overview of the development of potential hazards but are not suitable for business strategies and mitigation measures. For this reason, the discussion of vulnerability, climate protection measures, and materiality focused on short-term hazard projections (15 years). This period corresponds to the short-term horizon of the climate risk analysis and aligns better with the Group's specific operational plans and projections.

The resilience analysis incorporated all physical risks with at least a moderate negative impact on a vulnerable system element. An SSP2 scenario ("Middle of the Road") was taken into account. After identifying potentially relevant transition risks, workshops were held to discuss not only the timeframe, magnitude, and probability of each transition risk but also mitigation measures and corresponding plans in order to strategically assess the resilience of the business model.

Overall, the resilience analysis conducted shows that, thanks to its geographic diversification and targeted addressing of regional vulnerabilities, the STS Group is able to maintain its business strategy even under changing climatic and regulatory conditions. Going forward, more active engagement with business customers and local communities is required, and additional investments must be made to mitigate the risks associated with the deterioration of certain climatic conditions and the tightening of certain laws.

The STS Group rates its resilience to physical climate risks as fundamentally high, as the majority of its sites are exposed to only minor risks due to existing risk mitigation measures. The proximity of customers to the STS Group's production sites also helps mitigate risks in the downstream value chain, reducing the likelihood that product delivery to customers will be severely disrupted. Exceptions include three sites in France, which are subject to an increased risk of wildfires, as well as the site in Mexico, where there is a risk of frost. Since these events have the potential for significant operational disruptions, damage to storage capacity, and high restoration costs, these risks have been classified as material. Additional adaptation measures are currently being discussed to strengthen resilience regarding these specific issues. The goal is to secure the physical infrastructure and delivery capacity in the long term.

Resilience to the climate-related risks identified along the upstream value chain will be analyzed and assessed in greater depth over the coming months. These risks are primarily driven by logistical disruptions, such as road or rail closures due to flooding, storms, or wildfires, as well as delays or blockages in ports resulting from hurricanes and severe weather. The European and Chinese road networks are comparatively resilient, although delivery delays ranging from a few days to several weeks may occur. Sea routes (which are not the most commonly used delivery routes), on the other hand, remain volatile during the storm season.

Regarding transition risks, the STS Group focuses primarily on addressing regulatory requirements, which are considered particularly significant for its European locations. The transition to more environmentally friendly production lines and processes represents the most immediate strategic risk. Financial resilience depends crucially on the intensity of regulatory pressure and the flexibility to pass on CO₂-related additional costs within the value chain. Due to increased regulatory pressure, the Group is experiencing significantly higher transition pressure in the European Union. Here, maintaining strategic resilience requires not only additional investments but also active stakeholder management.

[ESRS S1.13-16 Disclosure requirement related to ESRS 2 SBM-3]

The STS Group considers its employees as a key success factor for the implementation of its global strategy in the automotive and commercial vehicle industry. Ensuring a safe working environment, as well as employee satisfaction and well-being, are of central importance for the company's long-term success. In accordance with the requirements of ESRS 2 SBM-3, the significant impacts on employees result directly from the Group's strategic direction and business model. As an internationally active supplier for the automotive and commercial vehicle industry, the STS Group operates in a dynamic market environment characterized by just-in-time processes and high-quality standards set by OEM customers. These structural conditions often require a high degree of flexibility in production work schedules, which can have negative effects on employees' mental health and work-life balance. At the same time, within the traditionally male-dominated industrial structure, there is a risk of losing qualified female employees or failing to recruit enough of them. These impacts and risks also influence the further development of the corporate strategy. To strengthen the resilience of its business model, the STS Group monitors social metrics such as the turnover rate and the sick leave rate as operational early warning indicators. In addition, the STS Group engages in regular dialogue with employees and their representatives with the aim of reconciling employee needs with economic requirements.

As part of the double materiality analysis, the STS Group has identified potential negative impacts on its own workforce that were classified as material. These impacts are related to specific events and/or employee groups and are not systemic:

- If the STS Group fails to reach an agreement with the trade unions and works councils regarding working conditions—particularly on the issue of “pay raises”—this could lead to general disappointment and dissatisfaction among employees—especially those working in production.
- Significantly exceeding regular working hours could have a negative impact on the health (physical and mental) and satisfaction of employees working in production.
- Women are underrepresented, particularly at the highest management levels. This can lead to qualified female employees being less motivated and leaving the company in the long term.

Key opportunities for the STS Group arising from its own workforce include increased employee productivity through high employee satisfaction in a safe and healthy work environment, as well as an improvement in the company's reputation and corporate image as an employer.

Failure to meet investor and customer requirements regarding female quotas has been identified as a risk related to the company's own workforce. Furthermore, the STS Group's

attractiveness as an employer diminishes if no concrete measures are implemented to promote gender diversity, particularly at senior management levels such as the Management Board and the level immediately below it.

No activities involving a significant risk of forced labor or child labor are carried out at the STS Group's locations. The STS Group is committed worldwide to complying with national laws as well as the principles and corporate rules set forth, among other places, in the Group's "Code of Business Conduct." Forced labor and child labor are therefore excluded.

The identified significant adverse impacts (potential adverse impacts) generally affect all employee groups equally. Nevertheless, the STS Group has identified employees with health limitations or disabilities as groups with specific vulnerabilities.

To prevent potential adverse impacts on this vulnerable group resulting from regular overtime or physical strain, the STS Group has established the following measures:

- Cross-functional collaboration: The Human Resources, Health and Safety, and Production departments work closely together to customize workstations and minimize job-related risks.
- Prevention and development: Targeted retraining programs and the assignment of tasks that are easier on the body ensure that work capacity is maintained in the long term and inclusion is preserved.

[ESRS S2.10-13 Disclosure requirement related to ESRS 2 SBM-3]

Suppliers and their employees represent a key stakeholder group. A stable and transparent supply chain can enhance the STS Group's reputation by promoting efficient production processes and mitigating risks that may arise from supply bottlenecks or non-compliance with human rights and environmental standards.

The STS Group's reporting primarily focuses on its business relationships with Tier 1 suppliers and their workforce, as well as with its OEM customers. The STS Group's customer base consists of international automotive manufacturers. These companies have very high standards regarding compliance with labor and human rights and explicitly require the STS Group to consistently implement these standards. Therefore, the STS Group's strategy regarding the workforce in the value chain focuses primarily on the supply chain.

As part of the double materiality analysis conducted, a potential negative impact on the occupational safety and working conditions of suppliers' employees was identified. This is because the high-quality standards and compliance requirements demanded by the STS Group

can indirectly affect the working environment of suppliers. This primarily affects those employees in the supply chain who, due to a lack of training or qualifications, are exposed to an increased risk regarding their occupational safety or general working conditions, provided that the high-performance requirements are not offset by the suppliers' corresponding capacities. This potential negative impact does not represent a systemic problem for the STS Group but rather results primarily from the Group's specific quality and compliance expectations of its suppliers. The identified negative impact affects all employees of suppliers who cannot meet the STS Group's high-performance requirements due to a lack of sufficient capacity. Workers with specific characteristics or in specific environments were not considered separately, nor were any specific negative impacts identified for these categories.

With regard to the workforce in the company's value chain, no risk of child labor or forced labor was identified.

The STS Group can strengthen its market position and increase its appeal to investors and customers by consistently enforcing specific quality and compliance standards for its suppliers. By reviewing these requirements—particularly regarding the prevention of child and forced labor – the Group minimizes risks within the supply chain and can sustainably solidify its reputation as a responsible market actor. This opportunity applies to all groups of workers in the value chain.

The key sustainability risks and opportunities are incorporated into the Group-wide risk management system and are analyzed regularly (once a year) and on an ad hoc basis to determine their impact on the STS Group's financial position. In particular, physical and transitional climate risks can, for example, influence operating expenses (OpEx) and revenue.

The STS Group takes a proactive approach to reducing environmental impacts such as CO₂ emissions and resource intensity in its production processes and products and to ensuring the resilience of its business model. In addition, the STS Group has a set of policies developed in coordination with the Adler Pelzer Group that address environmental, human rights, and labor-related issues and serve as principles and internal rules for the Group. Together with the Group's established risk management framework, they enable early identification and, where necessary, mitigation of risks and opportunities.

As part of its resilience analysis, the STS Group regularly and on an ad hoc basis analyzes the extent to which its strategy and business model are robust in the face of significant climate-related developments (particularly climate change adaptation and transition risks) as well as market and technological changes in the automotive and commercial vehicle industries. The assessment is conducted in accordance with the time horizons outlined in the Sustainability Report and is incorporated into the ongoing refinement of the strategic direction as well as into Group-wide risk management.

Further information on the STS Group's business model and strategy can be found in the section "SBM-1 – Strategy, business model, and value chain."

The materiality analysis, prepared for the first time in 2024 in accordance with ESRS requirements and updated in 2025, was the STS Group's first analysis based on the principle of double materiality. In the preceding reporting years, the STS Group had relied on the industry-specific material topics of the SASB (Sustainability Accounting Standards Board) and on the requirements under the CSR-RUG to determine material topics.

During the reporting period, the double materiality analysis was reviewed in depth and updated. In the process, new material IROs were identified under topical standards (ESRS) E2 and S3. These new material topics will be reported in the next reporting period.

IRO-1 Description of the process to identify and assess material impacts, risks, and opportunities

In 2024, the STS Group conducted a double materiality analysis (DMA) for the first time in accordance with the requirements of the ESRS as specified in ESRS 1, Chapter 3. The identification and assessment of material sustainability topics were based on the expertise and knowledge of subject matter experts. After creating a "long list" based on an initial screening of the sustainability aspects listed in ESRS 1 AR 16, the selected topics were analyzed from both perspectives of double materiality, namely "Impact Materiality" and "financial materiality," to identify the relevant impacts, risks, and opportunities (IROs).

A context analysis was conducted during the preparatory phase as well as in the first two workshops for compiling the longlist. This analysis also addressed the STS Group's value chain, and key stakeholders were examined in terms of their relationships with the company, potential impacts on people and the environment, and their potential as sources of risk or opportunity. The materiality analysis focused on the Group's core business activities as well as on relationships with suppliers (with a focus on Tier 1 suppliers) and business customers. When examining the upstream value chain, the STS Group also considered company-specific resource dependencies regarding key imported raw materials. Additionally, the operating segments and the countries in which the STS Group and its key suppliers operate were taken into account. Based on this, an initial classification of individual topics along the value chain (upstream, within the company, downstream) was performed.

To ensure comprehensive issue coverage, an initial screening of all issue areas covered by the topical ESRS standards was conducted. Additionally, the sustainability issues relevant to the "Industrial Machinery and Goods" sector according to the SASB framework's categorization were reviewed. Subject matter experts were invited to topic-specific workshops to verify whether the potential IROs or sustainability topics and their allocation along the value chain were appropriate, to describe them in detail from a qualitative perspective, to incorporate suitable sources of analysis, and to perform a robust quantification of the described IROs.

[ESRS E1-1 - Disclosure requirements related to ESRS 2 IRO-1]

The identification of the STS Group's IROs regarding the topics covered by the ESRS 1 standard was primarily conducted through workshops with experts from the ESG Core Team, the Health & Safety department, and the Risk Management. Findings from the Group's annual greenhouse gas inventory served as a key basis for this process. Focus was placed on internal production processes (e.g., plastics processing) as well as on raw material procurement from Tier 1 suppliers. In addition, the Group's product portfolio – particularly light commercial vehicle

components – as well as global trends toward electric vehicles and stricter emissions regulations, were considered.

Between October 2025 and February 2026, the STS Group also conducted a climate risk analysis in collaboration with an external business partner. Physical (acute and chronic) and transition climate-related risks were examined. The analysis covered all 14 STS Group locations worldwide, both production sites and offices. The site in Taixing, China, was excluded because it is currently in the start-up phase and has no assets on site. Nevertheless, a hazard analysis was conducted for this site to prepare for a future risk assessment.

The analysis was based on various data sources, including the existing risk analysis from 2024, internal company documents, and external datasets. For climate projections and to fill identified data gaps, additional tools were used alongside datasets from the Intergovernmental Panel on Climate Change (IPCC), including the Aqueduct tools, the IPCC WGI Interactive Atlas, the Climate Central Coastal Risk Screening tool, ThinkHazard!, and the World Bank Climate Change Knowledge Portal.

Site-specific information – including geolocation, type of activities, facility structure, and classification within the value chain – was collected and validated based on existing documentation and a questionnaire, with the plant managers responsible for the content. On this basis, specific risk profiles were created for all sites.

For the upstream value chain, a national risk profile was created for each country of origin based on desktop research. This included key infrastructure such as road, rail, and sea routes, as well as infrastructure for power generation and transmission. For the downstream value chain, the risk profile was created in connection with the respective production sites of the STS Group, as the business customers are primarily located in the immediate vicinity of the STS Group's plants.

For the analysis of physical climate risks, potential climate hazards were first identified and assessed for their relevance. Climate hazards for which no relevant impact profile could be determined – such as permafrost thaw or glacial lake outbursts – were classified as irrelevant at the site level. This was followed by a site-specific assessment of exposure and vulnerability based on defined system elements, including buildings, outdoor storage areas, machinery, infrastructure, and workforce. All these hazards were also assessed for their specific vulnerability based on a site's respective value chain profile. If a vulnerability was identified with a rating of "medium" or "high", regardless of the scenario or time horizon considered, the underlying mechanisms and potential impacts were analyzed in greater depth.

The analysis was structured across several time horizons, defined as follows: short term (2026–2040), medium term (2041–2070), and long term (2071–2100). The assessment was scenario-based, using IPCC projections and considering multiple warming pathways, including SSP1 (Sustainability), SSP2-4.5 (Middle-of-the-Road), and SSP5 (Fossil-fueled Development). SSP3

(A Rocky Road) was additionally used when SSP2 projections were not available for a particular analysis tool.

To analyze transition risks, three working groups were formed with representatives from Operations, Finance, Legal, and Marketing for each region (Asia, Europe, North America). These groups were asked how these risks impact operations, both based on the current transition situation and under the conditions of an SSP1 scenario, that is a scenario involving the most far-reaching regulatory measures and social changes possible.

To determine the financial materiality of the identified physical and transitional climate risks, the results of the climate risk analysis were discussed with the respective plant managers and the financial officers responsible for the respective countries. The risks were then classified according to the risk categories of the existing risk management system. In doing so, in addition to the different time horizons, the relevance of the respective item within the value chain as well as the potential extent and likelihood of the financial impacts were taken into account.

[ESRS E2-1 - Disclosure requirement related to ESRS 2 IRO-1]

To identify and assess the sustainability topics covered by E2, workshops were conducted with internal experts and decision-makers from the STS Group and the Adler Pelzer Group, including the Global Senior Manager Health & Safety and the Group Process Development Director. As part of the double materiality analysis, the raw materials used in production processes were examined with regard to their environmental hazards and regulatory restrictions, as well as the volatile organic compounds (VOCs) that can be generated, for example, during painting or coating processes of vehicle components. In addition, the wastewater systems in use and the effectiveness of treatment or filtration facilities at the production sites were examined.

[ESRS E4-1 - Disclosure requirement related to ESRS 2 IRO-1]

During the stakeholder workshops aimed at identifying material topics and IROs covered by ESRS E4, the primary focus was on a detailed analysis of the geographical proximity of production sites to ecologically sensitive or species-rich areas. Participants discussed the extent to which production depends on critical natural resources, such as water availability for cooling processes, and whether a potential shortage of these resources poses a financial risk. In parallel, an assessment was conducted of existing production and logistics sites regarding their impact on local soil conditions and adjacent habitats. Additionally, a preliminary analysis of the geographic origin of raw materials was performed – along with a review of national and international standards – to ensure that there are no significant risks of deforestation or damage to natural habitats within the supply chain.

[ESRS E5-1 - Disclosure requirement related to ESRS 2 IRO-1]

Key tools for identifying material IROs related to the E5 topics were internal consultations and workshops with subject matter experts and representatives of the STS Group from the following departments:

- Purchasing
- Production
- Health, Safety, and Environment (HSE)
- Corporate Social Responsibility (ESG Team)

These workshops addressed resource inflows (particularly raw materials such as plastics and composites), resource outflows (products), and the resulting waste streams. In identifying and assessing the IROs, the purchased raw materials were examined, particularly those that are difficult to recycle. Other factors to be considered included the increasing regulatory requirements for the recyclability of automotive components—such as the End-of-Life Vehicles Regulation—as well as resource scarcity, which could impact material costs. The dialogue with customers and their requirements regarding the recyclability of components and more sustainable product design (ecodesign) were also taken into account.

[ESRS G1-1 - Disclosure requirement related to ESRS 2 IRO-1]

Specialized internal functions were consulted to identify and assess the sustainability topics under G1.

- Corporate Governance & Ethics (Involvement of the Director of Corporate Compliance and the CSO)
- Risk Management
- HR
- Purchasing – for the analysis of supplier relationships.

In assessing corporate culture and business ethics, internal company policies and guidelines (e.g., Code of Business Conduct) were considered alongside the compliance system, among others also the whistleblower system for violations of internal rules as well as national and international laws. Forms of social dialogue and employee engagement, such as regular dialogue formats and corporate events, were also examined. For the “Supplier Relationship Management” area, specific topics such as payment terms and social responsibility in procurement were analyzed as potential drivers of materiality.

For the detailed evaluation of each ESRS sustainability topic, the relevant department heads as well as, where applicable, stakeholder representatives from various corporate departments of the STS Group and the Adler Pelzer Group – including those from the areas of risk management, human resources, procurement, sales, and quality management – were identified and involved in consultations, on-site, and virtual workshops. Prior to the actual IRO assessments, preparatory discussions were held with the subject matter experts to define their role in the materiality assessment, the information basis, and potential sources for identifying, describing, and evaluating the IROs.

The identified positive and negative impacts include those deriving from the company's own business activities as well as the upstream and downstream value chain, including products and business relationships. The severity of the impacts was determined based on the criteria of scale (magnitude) and scope; for negative impacts, it was additionally determined based on negative impacts' irremediable character. For potential impacts, the likelihood was also taken into account. This resulted in four types of impacts: actual negative, actual positive, potential negative, and potential positive impacts. In addition, each quantified IRO was assigned to a relevant time horizon (short-term, medium-term, long-term). All dimensions, namely, scale, scope, irremediable character, and likelihood, were rated on a scale of 0 to 5. The result was then normalized to a scale of 0 to 10. Following the assessment of the IROs, the consolidated results were discussed in depth during two workshops with senior management and the ESG Cross-Functional team. Where necessary, adjustments were made to the ratings. The threshold for determining the materiality of the impacts was set at ≥ 6 on the applied scale of 1-10. The decision was based on the results of the final evaluation and the quantification of the identified IROs. In doing so, care was taken to strike a balance between potential "false negatives" (issues that are overestimated due to the DMA being conducted for the first time) resulting from the maturing data landscape and the initial application of the methodology, the manageability of the reporting and control scope, and the consideration of the sustainability issues most important to the STS Group.

When quantifying negative impacts or risks, potential immediate mitigating measures were considered, but not those that only have an indirect or long-term effect (remediating). When assessing potential negative impacts on human rights and labor rights (under Standards S1 and S2), the likelihood was assigned the highest possible score on the scale. This prevented the severity of the impacts from being downgraded due to the likelihood.

The assessment of risks and opportunities was conducted from an outside-in perspective. As part of the identification of risks and opportunities, an evaluation was performed of potential impacts on various aspects of the STS Group and its environment, such as financial, operational, or strategic aspects.

A sustainability issue constitutes a risk if it has or could have negative financial impacts on the company in the short, medium, or long term, such as on revenue, financial position, profitability, order intake, cash flow, access to financing, or cost of capital. A sustainability issue represents an opportunity, if it has or could have a positive financial impact on the company. Both risks and opportunities can arise from past or future events.

Risks and opportunities were assessed based on the magnitude of the financial impact (scale 0 to 5) and the likelihood (scale 0 to 5). The result was then normalized to a scale of 0 to 10. In addition, each quantified IRO was assigned to a relevant time horizon (short-term, medium-term, long-term). When determining the materiality of risks and opportunities, a threshold of ≥ 6 on the scale of 0 to 10 was also established. This value corresponds to the "high" threshold in a categorization of risks as low, medium, high, and very high.

The sustainability risks identified as material are incorporated into the STS Group's risk management framework, just like other financial risks, and are regularly discussed and quantified.

To determine and quantify potential costs and benefits, the stakeholders involved in the assessment rely on internal risk and opportunity analyses as well as the risk assessment system.

The planning and facilitation of all workshops were supported by external ESG consultants. The Management (CSO, Risk Management, Finance Department) was closely involved and conducted the final review of the identified and evaluated material IROs in order to strategically validate the results of the analysis. The Adler Pelzer Group's perspective was also incorporated into the materiality analysis; the STS Group's sustainability project manager served as the central liaison between the parent and subsidiary companies, ensuring smooth communication and coordination between the two entities.

The ESG risks and opportunities identified as material are taken into account by the risk management department at the group level and incorporated into the STS Group's risk manual.

The analysis of sustainability issues was supported by the following international frameworks:

- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- Paris Agreement
- UN Sustainable Development Goals (SDGs)
- SASB Standards
- European Green Deal

For the assessment of the IROs, the STS Group relied on qualitative information (e.g., experts' experience-based knowledge, information about competitors, or feedback from employees and customers) as well as, where possible, quantitative data (e.g., the Group's risk management manual, financial report). The discussions also considered the relevant national and international legal frameworks (e.g., national labor laws when analyzing topics under S1). Examples of analysis sources included available key performance indicators (greenhouse gas balance), supplier evaluations, the risk management handbook, regulatory requirements (e.g., the Supply Chain Due Diligence Act), and sustainability requirements of the most important business customers.

In the 2025 reporting year, a review process of the DMA results was conducted, and the definition and quantification of certain IROs were adjusted. The next scheduled review is planned for the 2026 reporting year.

IRO-2 Disclosure requirements in ESRS covered by the undertaking`s sustainability statement

This non-financial report includes the ESRS disclosure requirements derived from the material impacts, risks, and opportunities. Disclosure requirements and data points classified as immaterial in this process are therefore not included in this non-financial report.

2. ENVIRONMENTAL ISSUES

This chapter presents environmental information related to the strategic focus areas of pollution and the transition to a climate-neutral economy, as well as resource use and the circular economy. In addition, the EU Taxonomy is addressed.

EU Taxonomy Disclosures

On June 18, 2020, as part of the Green Deal to steer financial flows toward environmentally sustainable economic activities, the European Union adopted the so-called EU Taxonomy Regulation (Regulation (EU) 2020/852). The Regulation establishes a classification and assessment system under which an economic activity can be classified as environmentally sustainable. Accordingly, pursuant to Articles 3 and 9 of the EU Taxonomy Regulation, an economic activity is environmentally sustainable if it:

- a. makes a substantial contribution to at least one of the six environmental objectives defined in the EU Taxonomy Regulation ("substantial contribution"),
- b. does not result in significant harm to one or more of these environmental objectives ("Do no significant harm" – DNSH), and
- c. is carried out in compliance with minimum social standards ("Minimum Safeguards").

The six environmental objectives under Article 9 of the EU Taxonomy Regulation are:

- climate action,
- climate change adaptation,
- the sustainable use and protection of water and marine resources,
- the transition to a circular economy,
- the prevention and reduction of pollution,
- the protection and restoration of biodiversity and ecosystems.

Delegated Regulation (EU) 2021/2178 stipulates that information must be disclosed regarding so-called "taxonomy-eligible" and "taxonomy-aligned" economic activities. A taxonomy-eligible economic activity is defined as an economic activity described in the delegated acts on the EU Taxonomy, whereas a taxonomy-aligned economic activity is defined as an economic activity that meets the "substantial contribution" and DNSH requirements and is implemented in compliance with minimum social standards. Consequently, taxonomy eligibility is a necessary but – not a sufficient condition for an economic activity to be classified as environmentally sustainable. Furthermore, the EU Taxonomy Regulation defines enabling activities and

transitional activities in Articles 10 and 16. Enabling activities are those that allow another economic activity to be carried out sustainably without leading to a lock-in effect. Transitional activities, on the other hand, are economic activities that are consistent with the goals of the Paris Climate Agreement and for which there is no technologically and economically feasible low-carbon alternative.

To measure a company's level of sustainability, the proportions of

- revenue (turnover),
- capital expenditures (CapEx), and
- operating expenses (OpEx)

from both taxonomy-eligible and taxonomy-aligned economic activities must be reported as a percentage of total revenue, total capital expenditures, and total operating expenses, respectively. The metrics are based on the consolidated financial data in accordance with the STS Group's IFRS consolidated financial statements. To date, these metrics have been disclosed using the reporting forms in accordance with Delegated Regulation (EU) 2021/2178. For the 2025 reporting period, updates in accordance with Delegated Regulation (EU) 2026/73 have been applied.

Approach

As early as the 2022 reporting year, economic activities were identified for the STS Group's European locations that are considered taxonomy-eligible under the EU Taxonomy Regulation, and this was expanded in the following year to include an assessment of taxonomy compliance. In the 2024 reporting year, a global analysis of the STS Group's economic activities was conducted for the first time in accordance with the EU Taxonomy Regulation to meet the requirements of CSRD reporting. The assessment takes into account the economic activities relevant to the EU Taxonomy, regardless of geographic location. For the 2025 reporting year, the experience gained in previous years was applied and further refined. First, the taxonomy-eligible economic activities (eligibility analysis) were identified and discussed. Subsequently, the taxonomy compliance (alignment analysis) of these activities was assessed based on the technical screening criteria, the "Do No Significant Harm" criteria, and the minimum safeguards. In doing so, regulatory changes under the Omnibus Regulation were tracked and incorporated into the 2025 reporting. For the 2025 reporting period, the simplified reporting forms and updates in accordance with the amended taxonomy disclosure requirements (Delegated Regulation (EU) 2026/73) were used. The option not to assess activities below the introduced materiality threshold was not utilized.

To identify taxonomy-eligible and taxonomy-aligned economic activities across the Group, an interdisciplinary team was assembled within the STS Group. The team combines expertise from all relevant business areas and is tasked with ensuring consistent implementation of the taxonomy requirements. The identification of taxonomy-eligible economic activities took place in several workshops with external consultants and the respective contact persons at the various locations worldwide. The identification process builds on analyses from previous years, with care taken to screen the complete catalog of economic activities in the EU Taxonomy impartially in order to also capture potentially new relevant activities. After identifying the taxonomy-eligible activities, the so-called "Technical Screening Criteria" were analyzed to determine the conformity of the taxonomy-eligible economic activities, with the support of external consultants.

The economic activities identified as relevant to the STS Group in accordance with the EU Taxonomy all fall under the environmental objective of climate change mitigation (CCM) and are as follows:

- CCM 3.4 Manufacture of batteries
- CCM 3.4 Manufacture of other low-carbon technologies
- CCM 3.17 Manufacture of plastics in primary forms
- CCM 3.18 Manufacture of components for automotive and mobility applications
- CCM 7.7 Acquisition and ownership of buildings
- CCM 9.1 Market-oriented research, development, and innovation

The STS Group focuses on the manufacture of vehicle components using SMC (*Sheet Molding Compound*) technology and injection molding, which efficiently replace metal components and thereby contribute to reducing greenhouse gas emissions from vehicles by lowering their overall weight. The procedure for the alignment analysis is explained below.

The determination of taxonomy KPIs involves assumptions and estimates, particularly when classifying investments and operating expenses.

Relevant areas of the EU Taxonomy Regulation

The economic activity "Manufacture of batteries" is an enabling activity. It encompasses the manufacture of rechargeable batteries, battery packs, and accumulators for transportation, for stationary and off-grid energy storage, as well as for other industrial applications; the manufacture of the corresponding components (active battery materials, battery cells, housings, electronic components); and the recycling of end-of-life batteries.

The STS Group produces battery compartment covers for electric vehicles. These battery covers are characterized by a lightweight composite material specifically designed for extremely high temperatures. Additionally, this material offers greater design freedom and lower weight compared to other materials such as aluminum.

The economic activity "Manufacture of other low-carbon technologies" is an enabling activity and is defined as the manufacture of technologies aimed at significantly reducing greenhouse gas emissions in other economic sectors not explicitly described in the Delegated Acts on the EU Taxonomy. The STS Group's core competence is the manufacture of particularly lightweight vehicle components. The use of plastic composite material at the MCR/Tournon site (Mixt Composites Recyclables) instead of metal enables weight reduction as well as greater design and customization freedom for the components and can thus contribute to a reduction in greenhouse gas emissions. These and other ultra-lightweight technologies are manufactured by the STS Group using the plastic injection molding process and the SMC process.

The business activity "Manufacture of plastics in primary forms" is a transitional activity. It encompasses the production of resins, plastics, and non-vulcanizable thermoplastic elastomers, the mixing and blending of resins on a custom basis, as well as the production of non-custom synthetic resins. In addition to the production of SMCs, the MCR business unit also focuses on the manufacture of advanced molding compounds (AMC) and bulk molding compounds (BMC) and is therefore covered by this economic activity. The products are characterized by low weight, high heat resistance, good energy absorption capacity, and very good electrical insulation properties.

The economic activity "Manufacture of automotive and mobility components" is an enabling activity and is defined as the manufacture, repair, maintenance, retrofitting, reuse, and upgrading of mobility components for zero-emission personal mobility aids, as well as vehicle and mobility systems, components, separate technical units, parts, and spare parts. The STS Group has been manufacturing various components for zero-emission trucks and passenger cars since 2024.

The economic activity "Acquisition and Ownership of Buildings" is defined as the acquisition of real estate and the exercise of ownership rights over such real estate. The STS Group owns buildings at several production plants.

The economic activity "Market-oriented research, development, and innovation" is an enabling activity and is defined as the conduct of research, applied research, and experimental development in the field of solutions, processes, technologies, business models, and other products for the reduction, avoidance, or removal of greenhouse gas emissions with a technology readiness level (TRL) 6. The STS Group's research activities encompass work related

to the development of new materials and components with high strength and durability, which enable low weight while maintaining high functionality.

Minimum social safeguards

The minimum social safeguards pursuant to Article 18 of the EU Taxonomy Regulation encompass requirements for responsible corporate governance and human rights due diligence obligations in accordance with international standards (including the OECD Guidelines, UN Guiding Principles, ILO Core Labor Standards, and the International Bill of Human Rights). The STS Group has both policies and concrete measures and tools in place to ensure the protection of human and labor rights, as well as compliance with national and international laws on combating corruption and bribery, corporate taxation, and fair competition. To ensure that the STS Group's business activities comply with these standards and norms, the assessment from the previous year was adopted and reviewed with relevant internal stakeholders (from the following departments: HR, Compliance, and Risk Management).

The following official policies were analyzed to verify compliance with the "Minimum Safeguards":

1. "Code of Business Conduct"
2. "Code of Conduct for Suppliers"
3. "Human Rights Statement"
4. "Policy Statement LkSG"

The key measures and tools available to the STS Group include group-wide risk management, a whistleblower system, and various employee training programs. In addition, the process of double materiality analysis was considered as a tool for identifying and assessing negative impacts and the corresponding measures in connection with business activities.

The described elements of the process for adhering to minimum social standards ensure that the STS Group fulfills its human rights due diligence obligations and takes the aforementioned guiding principles and standards into account.

Compliance with the minimum safeguards under Article 18 of the EU Taxonomy Regulation is ensured through existing compliance structures, particularly the Code of Conduct, the whistleblower system, and internal control mechanisms.

Results

The scope of the taxonomy analysis includes all production sites of the STS Group. The following table shows the proportions of taxonomy-eligible and taxonomy-aligned business activities in

revenue, capital expenditures (CapEx), and operating expenses (OpEx). The option to exclude economic activities from assessment based on a materiality analysis was not utilized.

	Total	% of taxonomy-eligible activities	Taxonomy-aligned activities	% of taxonomy-aligned activities
	TEUR	%	TEUR	%
Revenue	292,035.0	21.0	1,093.6	0.4
Capital expenditures (CapEx)	9,442.7	2.2	4.2	0.0
Operating expenses (OpEx)	3,381.3	37.0	53.4	1.6

Revenue – The reported total revenue in accordance with Section 1.1.1 of Annex I to Delegated Regulation (EU) 2021/2178 corresponds to the revenue of EUR 292 million reported in the IFRS consolidated financial report and forms the denominator for the Taxonomy revenue KPI. Of these revenues, 21% were attributable to taxonomy-eligible economic activities and 0.4% to taxonomy-aligned economic activities. The largest share of taxonomy-aligned activities, amounting to EUR 812.4 thousand, was generated in the “Manufacture of other low-carbon technologies” category, followed by EUR 247.9 thousand in the “Manufacture of components for automotive and mobility applications” category and EUR 33.2 thousand in the “Manufacture of batteries” category.

Capital Expenditures (CapEx) – The reported total of capital expenditures in accordance with Section 1.1.2 of Annex I to Delegated Regulation (EU) 2021/2178 comprises additions to property, plant, and equipment and intangible assets and takes into account the following items in the IFRS consolidated financial statements:

- IAS 16 Property, Plant, and Equipment
- IAS 38 Intangible Assets
- IAS 40 Investment Property
- IFRS 16 Leases

This corresponds to the total amount of investments made during the reporting period, amounting to EUR 9.4 million. Of these total investments, taxonomy-aligned investments totaling EUR 4.2 thousand were made in the category "Market-oriented research, development, and innovation" and taxonomy-eligible investments of EUR 207 thousand were made in the category "Acquisition and Ownership of Buildings".

Operating expenses (OpEx) - The reported total operating expenses pursuant to Section 1.1.3. Annex I of Delegated Regulation (EU) 2021/2178 includes direct, non-capitalized costs related to research and development, building renovation measures, short-term leasing expenses, maintenance and repairs, as well as all other direct expenses associated with the ongoing maintenance and upkeep of property, plant, and equipment.

Total operating expenses for the reporting period amount to approximately EUR 3.4 million and serve as the denominator for the Taxonomy operating expenses KPI. Of these total operating expenses, EUR 53.4 thousand were taxonomy-aligned incurred in the category "Market-oriented research, development, and innovation." In contrast, EUR 1.25 million of taxonomy-eligible operating expenses were allocated to the categories "Manufacture of other low-carbon technologies," "Manufacture of plastics in primary form," "Manufacture of components for automotive and mobility applications," and "Acquisition and ownership of buildings."

Reporting Templates

The following reporting forms comply with the requirements of Delegated Regulation (EU) 2021/2178, as amended by Delegated Regulation (EU) 2026/73.

Overview Reporting Template: Share of revenue (turnover), capital expenditures (CapEx), and operating expenditures (OpEx) associated with taxonomy-eligible and taxonomy-aligned economic activities:

Financial Year (N)	Breakdown by environmental objectives of Taxonomy aligned activities														
KPI (1)	Total (2)	Proportion of Taxonomy eligible activities (3)	Taxonomy aligned activities (4)	Proportion of Taxonomy aligned activities (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered non-material (14)	Taxonomy aligned activities in previous financial year (N-1) (15)	Proportion of Taxonomy aligned activities in previous financial year (N-1) (16)
	EUR	%	EUR	%	%	%	%	%	%	%	%	%	%	EUR	%
Turnover	292,000.0	21.0	1,093.6	0.4	0.4	-	-	-	-	-	0.4	0.0	-	1,924.5	0.6
CapEx	9,442.7	2.2	4.2	0.0	0.0	-	-	-	-	-	0.0	0.0	-	38.9	0.2
OpEx	3,381.3	37.0	53.4	1.6	1.6	-	-	-	-	-	1.6	0.0	-	199.3	0.6

Turnover Reporting Template: Proportion of revenue from products or services associated with taxonomy-eligible and taxonomy-aligned economic activities:

Reported KPI (Turnover)													
Financial Year (N)		Environmental objectives of Taxonomy aligned activities											
Economic Activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover) (3)	Taxonomy aligned KPI (monetary value of Turnover) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover) (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
Text		%	KEUR	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Manufacture of batteries	CCM 3.4	0.01	33.2	0.0	0.0	-	-	-	-	-	E	-	100.0
Manufacture of other low carbon technologies	CCM 3.6	11.4	812.4	0.3	0.3	-	-	-	-	-	E	-	2.4
Manufacture of plastics in primary form	CCM 3.17	8.1	-	0.0	0.0	-	-	-	-	-	-	T	0.0
Manufacture of automotive and mobility components	CCM 3.18	1.6	247.9	0.1	0.1	-	-	-	-	-	E	-	5.5
Sum of alignment per objective					0.4	-	-	-	-	-			
Total KPI (Turnover)		21.0	1,093.6	0.4	0.4	-	-	-	-	-	0.4	-	1.8

CapEx Reporting Template: Share of investment expenditures allocated to products or services associated with taxonomy-eligible and taxonomy-aligned economic activities:

Reported KPI (CapEx)													
Financial Year (N)		Environmental objectives of Taxonomy aligned activities											
Economic Activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible CapEx) (3)	Taxonomy aligned KPI (monetary value of CapEx) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned CapEx) (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
Text		%	KEUR	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Acquisition and ownership of buildings	CCM 7.7	2.2	-	0.0	0.0	-	-	-	-	-	-	-	0.0
Innovation	CCM 9.1	0.0	4.2	0.0	0.0	-	-	-	-	-	E	-	100.0
Sum of alignment per objective					0.0	-	-	-	-	-			
Total KPI (CapEx)		2.2	4.2	0.0	0.0	-	-	-	-	-	0.0	0.0	2.0

OpEx Reporting Template: Share of operating expenses allocated to products or services associated with taxonomy-eligible and taxonomy-aligned economic activities:

Reported KPI (OpEx)													
Financial Year (N)		Environmental objectives of Taxonomy aligned activities											
Economic Activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible OpEx) (3)	Taxonomy aligned KPI (monetary value of OpEx) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned OpEx) (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
Text		%	KEUR	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Manufacture of other low carbon technologies	CCM 3.6	13.2	-	0.0	0.0	-	-	-	-	-	E	-	0.0
Manufacture of plastics in primary form	CCM 3.17	0.1	-	0.0	0.0	-	-	-	-	-	-	T	0.0
Manufacture of automotive and mobility components	CCM 3.18	8.2	-	0.0	0.0	-	-	-	-	-	E	-	0.0
Acquisition and ownership of buildings	CCM 7.7	9.0	-	0.0	0.0	-	-	-	-	-	-	-	0.0
Close to market research, development and innovation	CCM 9.1	6.5	53.4	1.6	1.6	-	-	-	-	-	E	-	24.5
Sum of alignment per objective					1.6	-	-	-	-	-			
Total KPI (OpEx)		37.0	53.4	1.6	1.6	-	-	-	-	-	1.6	0.0	4.3

ESRS E1 – Climate Change

The automotive industry faces the challenge of developing climate-neutral mobility while simultaneously securing its global competitiveness. For the STS Group, this means developing and, where necessary, adapting its products and production processes to meet the latest legal requirements and customer expectations, ensuring that the business model remains resilient and competitive.

E1-1 – Transition plan for climate change mitigation

The STS Group does not yet have a comprehensive, formalized transition plan for climate protection. Instead, there is a plan to reduce the GHG footprint, which was developed as part of the Adler Pelzer Group's overarching sustainability strategy and applies at the corporate level (for the entire Adler Pelzer Group and also for the STS Group). A transition plan is currently still under development. An explicit derivation or linkage of the targets and individual measures to a 1.5°C pathway is not yet available. The same applies to operating expenses (OpEx) and capital expenditures (CapEx) related to the implementation of decarbonization levers, which are further detailed in the following section.

As part of the plan to reduce the Adler Pelzer Group's GHG footprint, six work streams with corresponding decarbonization levers have been identified that apply to the entire group, including the STS Group:

Fuel reduction and switching (5%)	Renewable heating and cooling (10%)	Optimization of products and processes (10%)	Increased circular economy & recycling (15%)	Switch to renewable energy (25%)	Optimization of materials and processes (35%)
DECARBONIZATION LEVERAGES:					
•Reducing fossil fuel consumption •Reducing business travels	•Increasing efficiency of heating and cooling systems	•Optimizing design and processes to achieve the same performance with lower weight	•Post-consumer recycling •Recycling of material and production waste	•Switch to green electricity	•Improving process efficiency

The percentages of the workflows indicate the share of CO₂ emissions attributable to each workflow.

The identification of taxonomy-eligible activities is embedded in the CapEx application process within the investment planning cycle, which spans a three-year period, and is managed via a specific tagging function in a planning tool. As part of the rolling three-year planning process, all CapEx amounts attributable to measures for climate change mitigation or adaptation, as well as to taxonomy-eligible activities, are allocated to the "Regulatory" or "Risk Management" categories. Based on this allocation, approximately 2% of the total investment volume for the 2025 fiscal year was attributable to taxonomy-eligible activities.

E1-2 + ESRS 2 MDR-P - Policies related to climate change mitigation and adaptation

The STS Group consolidates the management of its key IROs regarding environmental issues, including climate change mitigation and adaptation, within an overarching policy framework adopted from the Adler Pelzer Group.

The following Group-wide policies are particularly relevant to the topic of climate change:

- **"Environmental Guidelines"**: These define minimum requirements, including those for environmental management, sustainable resource use (electricity, natural gas, water), waste and hazardous substance management, wastewater, air emissions, and soil and groundwater protection. The guidelines aim for continuous improvement and legal compliance.
- **"Best Practices on Energy Efficiency"**: This policy addresses energy efficiency in electrical applications (e.g., lighting, compressed air, heating/cooling, and processes), gas efficiency, and water efficiency, and is directed at the Group's plant managers.
- **"Policy Statement LkSG"**: In this policy, the STS Group considers both respect for human rights and environmental protection to be essential components of its daily business operations. The company commits itself and its suppliers to complying with environmental standards throughout the entire value chain.
- **"Code of Business Conduct"**: In addition to the information provided in Chapter S1, this guideline includes a commitment to the environmentally responsible use of natural resources, the protection of the environment, and the mitigation of negative environmental impacts.
- **"Code of Conduct for Suppliers"**: The Group expects its suppliers to strive to reduce their environmental footprint by protecting and conserving natural resources and complying with all national environmental standards. Other topics covered by the guideline include the handling of hazardous substances and the prohibition of activities that contribute to illegal deforestation or damage to natural ecosystems. A key component of the guideline is also the expectation that suppliers implement an

environmental management system, with certification to ISO 14001 or EMAS being explicitly sought.

The policies are further developed through regular review and updating. In addition, violations of national and international environmental standards as well as of the policies can be recorded, reported anonymously, and tracked via a whistleblower system. Detailed information on the whistleblower system can be found in Chapters S1 and G1.

The environmental policies apply to all STS Group locations. In terms of scope, they cover all areas in which the STS Group has an impact on the environment along the entire value chain. In addition to the Group's own activities, this also includes requirements for the supply chain, insofar as it is governed by procurement regulations and supplier requirements.

All policies are developed within the respective functional units at the Group level. In certain cases, approval involves directors at the management level to ensure oversight and accountability at a high organizational level. Each policy is formally approved by the responsible functional head and, where necessary, additionally signed by the CEO or country-specific COO.

In developing and implementing environmental policies, the STS Group adheres to internationally recognized environmental standards, local legal requirements, and voluntary initiatives. These include, in particular, ISO 14001, EcoVadis, CDP reporting, and the German Supply Chain Due Diligence Act.

The interests and perspectives of customers, suppliers, and investors are taken into account when drafting the policies. Customers are among the STS Group's most important stakeholders. Their requirements regarding product quality and ESG criteria are therefore reflected in the Group's environmental guidelines. Suppliers are also among the most important stakeholders. The requirements for suppliers, which include compliance with environmental standards, are linked to the continuous improvement of the Group's own climate protection commitments. Investors, as one of the most important stakeholders, have an interest in long-term climate risk management and in the company's sustainability performance. Their expectations provide important input for the design of the environmental guidelines and the integration of climate-related risks into the Group's risk management system.

The "Code of Conduct for Suppliers" and the "Environmental Guidelines" are part of the General Terms and Conditions of Purchase and are made available to suppliers upon conclusion of the supply contract. These must be read, accepted, and signed by the suppliers. Internal policies such as the "Best Practices on Energy Efficiency," the "Code of Business Conduct," and the "Policy Statement LkSG" are made available via MS Teams and internal communication

channels. In practice, the rollout of internal policies takes place via three central channels: the Integrated Management System (IMS APG), local training sessions for the relevant target groups at the plants, and regional or local management communications, including translations. This is intended to ensure a uniform understanding and implementation across all locations.

Customer-specific requirements are also listed in product-related design criteria, testing processes, APQP (Advanced Product Quality Planning), and quality documentation.

E1-3 + ESRS 2 MDR-A - Actions and resources in relation to climate change policies

Actions for GHG emission reductions and Energy Management

In line with the plan to reduce the Adler Pelzer Group's GHG footprint, specific measures have been identified that apply to the entire Group, as well as to the STS Group. These measures are currently still in the implementation phase:

- Vehicle Fleet & Logistics: Electrification of the company fleet and the gradual introduction of modern, climate-friendly forklifts.
- Infrastructure: Introduction of cross-site standards for the procurement of highly efficient heating and cooling systems.
- Energy Investments: Signing green electricity supply contracts and evaluating direct investments in regional and global energy suppliers to secure renewable capacity.
- Process optimization: Detailed measurement of energy consumption in key processes (e.g., foaming, SMC molding, and painting).
- Product optimization: Conducting a life cycle assessment (LCA) using the cradle-to-gate approach to monitor and potentially improve emissions intensity across the entire life cycle.

Actions to manage climate-related risks

Regardless of the reduction measures, the STS Group has governance processes in place to manage climate-related risks and market opportunities: As soon as climate-related risks are identified and classified as material, a structured escalation process is initiated. These risks are incorporated into the Group's risk management system. In close coordination with plant

managers and risk managers, specific follow-up measures are then identified and, if necessary, defined to ensure the resilience of the business model.

Measures to manage climate-related opportunities

The STS Group regularly explores opportunities at the national level to diversify its energy sources in order to reduce its dependence on fossil fuel markets. The phased implementation of this strategy is guided by the regional availability of energy contracts from renewable sources as well as specific infrastructure conditions. To tap into the market potential of the growing demand for weight-reducing solutions, the STS Group maintains a close strategic dialogue with its customers. The goal is to drive product development through joint innovation projects. Particular emphasis is placed on increasing the recyclability of the materials used, including reuse and recycling potential, to minimize the environmental footprint across the entire life cycle.

The implementation of the measures described above depends largely on the availability and strategic allocation of financial resources. The reduction of Scope 1 and Scope 2 emissions is closely linked to the Adler Pelzer Group's approved capital expenditure (CapEx) plan. Currently, the STS Group does not have a specific investment plan with allocated CapEx and OpEx for the implementation of decarbonization measures.

E1-4 – Targets related to climate change mitigation and adaptation

The STS Group pursues emission reduction targets for climate change mitigation that are consistent with the Adler Pelzer Group's strategy for reducing its carbon footprint. These targets relate to the reduction of Scope 1 and 2 CO₂ emissions and aim to reduce GHG emissions from the Group's production processes by. The base year is 2021. CO₂ equivalent (tCO₂e) is used as the measurable indicator. No reduction targets have been defined for Scope 3 emissions so far, as the data foundation is currently being further developed. Furthermore, Scope 3 emissions for the STS Group have only been tracked since 2024. In addition, the STS Group aims to reduce its energy consumption by 5% annually.

In line with the Adler Pelzer Group's strategy, the STS Group is contributing to the target of reducing Scope 1 and Scope 2 emissions by 50% (in total) by 2028 compared to the base year 2021, and by an additional 10% by 2030, resulting in a total reduction of 60% compared to the base year.

Scope 2 emissions are reported on both a market-based and location-based basis.

The following baseline values are used for the base year:

- Scope 1 emissions 2021: 12,542 tCO₂eq
- Scope 2 emissions 2021: 15,939 tCO₂eq (market-based) and 15,777 tCO₂eq (location-based)

Consistency between climate targets and the greenhouse gas inventory

While the STS Group's greenhouse gas inventory fully captures emissions from Scope 1, 2, and 3, the STS Group's currently set reduction targets explicitly focus on Scope 1 and 2. The data basis for these targets is fully included in the GHG inventory, ensuring a consistent calculation methodology. To maintain transparency regarding the GHG emissions of its value chain, the STS Group monitors and reports Scope 3 emissions annually; however, currently, they are not offset against specific quantitative reduction targets.

Monitoring of target achievement

Target achievement is tracked through annual monitoring of emissions. From this monitoring, targets for the following year are derived, with the aim of achieving the interim target path by 2028 and the 2030 target. On this basis, medium-term target assumptions through 2028 have been established, which are considered realistic and cost-effective.

Changes and progress

The interim targets defined for the Adler Pelzer Group to reduce Scope 1 and Scope 2 emissions have been postponed from the target year of 2026 to 2028. This rescheduling allows for a more precise implementation of reduction levers within the Group.

The STS Group's emission reduction targets are geared toward the transition to a low-carbon economy. The setting of targets was based on an analysis of the STS Group's current status regarding CO₂ emissions, with financial costs taken into account. When setting the targets, relevant decarbonization trends among the STS Group's customers were considered, which are aligned with the IEA's "Net Zero Emissions by 2050" scenario. Regional regulatory frameworks serve as the primary policy benchmarks. The STS Group also analyzed and evaluated key factors influencing the emissions profile:

- Production volume and efficiency: Planning takes projected organic growth into account. To achieve emission reductions, it is anticipated that efficiency gains in production will more than offset the increase in production volume.
- Market dynamics and customer preferences: The STS Group monitors developments in the automotive industry and engages in dialogue with customers to identify their requirements regarding the technical characteristics of the products.

- Regulatory framework: Targets incorporate considerations about the expected tightening of the EU Emissions Trading System (ETS) as well as potential costs arising from the Carbon Border Adjustment Mechanism (CBAM).

The work streams for achieving the GHG emission reduction targets through the corresponding planned initiatives are outlined in section E1-1.

E1-5 – Energy Consumption and mix

Energy consumption and mix	2024	2025
(1) Fuel consumption from coal and coal products (MWh)	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	1,583	2,395
(3) Fuel consumption from natural gas (MWh)	41,711	45,059
(4) Fuel consumption from other fossil sources (MWh)	0	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	53,657	62,104
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	96,951	109,558
Share of fossil sources in total energy consumption (%)	100%	100%
(7) Consumption from nuclear sources (MWh)	n/a	n/a
Share of consumption from nuclear sources in total energy consumption (%)	n/a	n/a
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	0	0
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0	0
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	0	0
Share of renewable sources in total energy consumption (%)	0%	0%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	96,951	109,558

As an automotive supplier and manufacturer of plastic components, the STS Group operates in sectors with a significant impact on the climate. The energy intensity for the reporting year is 375.20 MWh per million euros in revenue. This figure is based on total energy consumption of 109,558 MWh, representing a 13% increase compared to the previous year (96,951 MWh), as well as net revenue of 292.0 million euros. Since all revenue comes from climate-intensive sectors, this figure corresponds to the company's total energy intensity. The energy consumption data (electricity and natural gas) was validated by comparing it with site-specific production activity. Total revenue adjusted for price effects (including revenue from

intercompany transactions) served as the indicator, as it accurately reflects plant capacity utilization. The results demonstrate high plausibility: While activity increased by 15%, energy consumption rose by 13%, underscoring the correlation between capacity utilization and resource consumption.

E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

The annual GHG inventory is prepared by an external service provider in accordance with the *GHG Protocol Corporate Accounting and Reporting Standard* and the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*. Scope 1 and Scope 2 emissions are calculated using direct data on energy supply and refrigerants, as well as a combination of distance-based and average data for mobile emissions. To ensure accuracy and consistency, current emission factors (EFs) are sourced from the following:

- The Climate Registry (TCR)
- U.S. Environmental Protection Agency's eGRID (EPA eGRID)
- International Energy Agency (IEA)
- U.K. Department for Energy Security and Net Zero (DESNZ)
- Intergovernmental Panel on Climate Change (IPCC)
- EcolInvent database
- Global Logistics Emissions Council Framework v3.2 (GLEC v3.2)

For Scope 3 emissions, a hybrid methodology that includes a mix of spend-based and average-data approaches was applied. These estimates are informed by:

- internal records such as the general ledger for expenditures in procurement, capital goods, and logistics,
- scope 1 and 2 energy consumption data for Category 3,
- waste KPI datasets by waste type,
- travel agency reports and site travel records for business travel,
- HR headcount and commuting inputs, supplemented by transportation statistics where relevant,

- records of units sold and site energy use for processing of sold products,
- procurement volumes and waste records for the disposal of sold products at the end of their life cycle.

Recognized external datasets served as sources for emission factors: the USEEIO database v1.4 from the Cornerstone Sustainability Data Initiative for expenditure-based categories, DESNZ 2025 for fuel- and energy-related activities, business travel, and commuting, IEA 2025 for selected energy- and manufacturing-related calculations, Ecoinvent for waste treatment factors, and EPA 2025 for relevant factors related to home use and end-of-life disposal.

During the reporting period, there were no changes regarding the definition or boundaries of the reporting company or its value chain. However, the calculation of emissions data was improved in terms of accuracy, transparency, and verifiability, including through:

- enhanced data quality controls and increased use of an automated platform for data collection,
- updating emission factors to the latest available sources,
- refinement of scope 3 calculations (including more detailed mapping of procurement data and more granular treatment of end-of-life emissions),
- wider use of standardized templates and multi-step quality controls, with closer collaboration between site managers
- closing data gaps through regression modeling and cross-checks.

The reported Scope 1 and Scope 2 emissions originate 100% from the activities of the companies fully consolidated in the consolidated financial statements. The group of companies over which operational control is exercised corresponds entirely to the scope of consolidation for financial reporting. There are no interests in joint ventures, associates, or unconsolidated subsidiaries that are subject to the operational control of the STS Group but are not fully consolidated.

GHG emissions:

	Retrospective				Milestones and target years		
	2021	2024	2025	YoY 2025 over 2024	2028	2030	Annual % target / Base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO ₂ eq)	21,542	8,677	9,854	14%	-50%	-60%	-54%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%	-			
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	15,777	12,306	13,793	12%	-50%	-60%	-13%
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	15,838	11,721	12,910	10%	-50%	-60%	-18%
Significant scope 3 GHG emissions							
Total Gross Indirect (Scope 3) GHG emissions (tCO₂eq)	n/a	98,974	128,367	30%			
1 Purchased goods and services	n/a	72,421	80,322	11%			
2 Capital goods	n/a	1,146	1,191	4%			
3 Fuel- and energy-related activities (not included in Scope1 or Scope 2)	n/a	3,151	4,478	42%			
4 Upstream transportation and distribution	n/a	10,016	18,885	89%			
5 Waste generated in operations	n/a	4,562	5,408	19%			
6 Business traveling	n/a	351	290	-17%			
7 Employee commuting	n/a	346	454	31%			
9 Downstream transportation and distribution	n/a	2,149	13,103	510%			
10 Use of sold products	n/a	4,416	3,272	-26%			
12 End-of-life treatment of sold products	n/a	416	963	132%			
Total GHG emissions							
Total GHG emissions (location-based) (tCO₂eq)		119,957	152,015	27%			
Total GHG emissions (market-based) (tCO₂eq)		119,372	151,132	27%			

Notes to the table:

- No biogenic emissions were reported in the calculation of Scope 1 emissions, as none existed.

- Scope 2 emissions: In the 2025 reporting year, no contractual instruments for the sale and purchase of energy – whether bundled with energy generation attributes or not – were used.
- 11% of Scope 3 emissions were calculated based on primary data.
- Scope 3.4 emissions: The sharp increase is primarily attributable to higher logistics costs in Europe and North America. For instance, the DAP freight costs paid by STS for shipments out of EU rose significantly YoY and were approximately five times the 2024 level. At the same time, increased activity at STS Salem in 2025 led to a rise in procurement costs and associated freight costs.
- Scope 3.9 emissions: To improve the completeness of the Scope 3 inventory, the category was expanded in 2025 to include emissions associated with customers picking up goods from warehouses. Some finished products and materials are picked up by customers using their own transport (or transport organized and paid for by them). Since these vehicles are not operated by STS Group, these transport operations are a direct consequence of the Group's sales and distribution activities. They therefore fall within the emissions scope of the value chain according to the GHG Protocol. Since no customer-specific data is available, an estimation method was used to calculate these emissions.
- Scope 3.12 emissions: Emissions increased in 2025 due to higher material volumes and a change in the product mix. Increased activity in Salem and the delivery in 2025 of orders signed in 2024 raised the volume of materials sold. A larger proportion of coatings led to a disproportionately higher increase in emissions compared to composites.
- The following Scope 3 categories were excluded as they are not relevant to the STS Group's business activities:
 - Category 8: The Group has no upstream leased assets;
 - Category 11: The Group's sold products do not require energy during their use;
 - Category 13: Not applicable to the STS Group's business activities;
 - Category 14: The Group does not operate a franchise;
 - Category 15: Not relevant to the STS Group's business activities.
- The three largest categories of reported greenhouse gas emissions fall under the following Scope 3 emissions:
 - Category 1 - Purchased goods and services
 - Category 4 - Upstream transport and distribution
 - Category 9 - Downstream transport and distribution

Reporting boundaries, calculation methods for estimating greenhouse gas emissions, and calculation tools for the relevant Scope 3 emissions:

Purchased goods and services (Category 1) as well as capital goods (Category 2) are calculated using a spend-based approach. To do this, annual purchase data from the general ledger is assigned to the corresponding product groups in the USEPA USEEIO v1.4. Emissions are then calculated by multiplying total expenditures by category-specific, inflation-adjusted emission factors.

Emissions from activities related to fuels and energy (Category 3) are estimated by applying the IEA 2025 emission factors for upstream and transmission and distribution losses to the total fuel and electricity consumption from the Scope 1 and Scope 2 inventories.

Categories 4 and 9 (upstream and downstream transport and distribution) are calculated based on total freight costs by mode of transport. These expenditures are matched with the USEEIO's expenditure-based emission factors for trucks and ships.

Scope 3 emissions for waste generation at facilities (Category 5) are calculated by multiplying the total mass of hazardous and non-hazardous waste by the relevant emission factors from Ecolnvent or the USEPA.

For business travel (Category 6), a distance-based method is used, employing DESNZ Well-To-Wheel Emission Factors for air, road, and rail travel, as well as hotel stay data, which are compared with country-specific or global average factors.

Emissions from commuting employees (Category 7) are estimated based on the number of employees by contract type, commuting frequency, and work-from-home days. These inputs are combined with DESNZ average values for Europe and BTS transportation data for the United States for the year 2025, as well as EPA electricity emission factors for work-from-home.

For the processing of sold products in Category 10, emissions are calculated based on energy consumption data from the Saint-Désirat plant and the number of units sold there and at MCR Tournon. The IEA 2025 and DESNZ 2025 Well-To-Wheel Emission Factors are applied.

The calculation of emissions from the treatment of end-of-life products (Category 12) is based on material-specific assumptions. These include the landfilling of composite materials, a 90% recycling rate for metals, and the special treatment of paints and varnishes. Regional emission factors from DESNZ 2025 for the Europe, Middle East and Africa (EMEA) region, and from EPA 2025 for the United States, Mexico and China, are used to estimate emissions from waste disposal.

The site-based intensity of GHG emissions for the 2025 reporting year is 521 tCO₂e/MEUR of revenue. The market-based intensity of GHG emissions is 518 tCO₂e/MEUR of revenue, based on the total consolidated revenue of EUR 292 million, as stated in the 2025 Financial Report.

ESRS E5 – Resource Use and Circular Economy

Resource consumption and the use of materials that are difficult to recycle in production processes are factors that prompt the STS Group to seek out more sustainable materials in order to enhance its competitiveness in the market. By increasing the recycling rate in the production process, the STS Group aims to improve cost efficiency and competitiveness in the long term. The development of recyclable products also enables the company to meet OEM customers' demands for "circular economy" solutions.

E5-1 – Policies related to resource use and the circular economy

The relevant information regarding the environmental policies that the STS Group applies to manage the impacts, risks, and opportunities related to resource consumption and the circular economy can be found in the section "E1-2 + ESRS 2 MDR-P – Policies related to climate change mitigation and adaptation". *Fehler! Verweisquelle konnte nicht gefunden werden.* With regard to the topics covered under ESRS E5, the "Environmental Policy" addresses issues such as waste prevention and resource conservation, including through measures such as: reducing the use of new materials, increasing the proportion of renewable or recycled materials, implementing circularity, and increasing the proportion of sustainably sourced renewable materials.

To this end, the Group has a policy specifically focused on the topic of "raw material procurement," namely the "Responsible Sourcing Policy." This policy addresses compliance with laws and standards governing the procurement and use of raw materials within the supply chain. The STS Group emphasizes its adherence to international environmental standards, with a focus on conflict minerals in high-risk areas, and its commitment to using responsibly sourced materials in its products.

The "Code of Conduct for Suppliers" and the "Responsible Sourcing Policy" specifically address the following topics: reducing the use of new materials and increasing the proportion of renewable or recycled materials in production processes.

In developing all policies, relevant international and national norms and standards (e.g., EUDR) as well as customer expectations and requirements regarding product quality and sustainability were taken into account. Primary responsibility for the content of the policies lies with the HSE (Health, Safety, and Environment) department. The concrete implementation of the policies takes place in collaboration with regional management and plant managers. The policies are made available to interested stakeholders via three platforms: the Integrated Management System (IMS APG), local training sessions at the plants, and local management announcements.

E5-2 - Actions and resources related to resource use and circular economy

As part of the plan to improve the recyclability of products, the strategic focus is currently on two key levers:

- **Optimization of product composition:** As part of the Adler Pelzer Group's strategic plan, the STS Group is currently collaborating with its suppliers to increase the proportion of secondary raw materials in the future.
- **Circular Design:** Through close and regular dialogue with business customers (OEMs), the STS Group aims to optimize product design as early as the development phase to improve the sustainability of products throughout their entire life cycle. This exchange with customers is already taking place.

The STS Group already relies in part on sustainable material solutions to minimize the ecological footprint of products at the end of their life cycle: the Group manufactures injection-molded parts (thermoplastic parts) exclusively from recycled PP (polypropylene). Currently, the STS Group is evaluating ways to increase the proportion of post-industrial recycled material (PIR) for polyamide (PA) injection-molded components to further substitute the use of virgin material. When it comes to product packaging, the STS Group adheres to the principle of consistently using 100% recyclable paper-based solutions, provided that the product's protective function allows for it.

Take-back and recycling concepts for end-of-life products are currently still under development and are being coordinated with the OEMs, who are leading this process. The focus is on the systematic collection and processing of production waste to optimize waste management processes and reduce the amount of non-recyclable waste. Particularly in the area of injection molding, the STS Group employs processes to efficiently process and reuse material residues. The following waste management measures are planned across the entire Adler Pelzer Group:

- **Waste prevention** through the application of lean manufacturing to optimize material consumption and minimize scrap. Parts are designed to require less raw material—through high-precision cutting or molding to reduce scrap.
- **Reducing waste** to minimize the amount of toxicity generated, for example by switching to non-toxic or low-VOC adhesives and resins and by using standardized raw material dimensions to minimize scrap.
- **Reuse of materials:** Reusing large offcuts or waste in production processes.
- **Recycling:** Converting waste material into new raw materials or

- products.
- **Disposal:** Safe disposal of waste that cannot be reused, recycled, or recovered.

The topic of “waste management” is managed through the regular monitoring of specific key performance indicators (KPIs). These KPIs are presented monthly at the Executive Committee meeting as well as at the regional HSE meetings. At the end of each fiscal year, an analysis of the KPIs' development trends is conducted.

E5-3 - Targets related to resource use and the circular economy

In line with the Adler Pelzer Group's environmental strategy, the STS Group has set itself the overarching goal of using resources more efficiently and sparingly and promoting the circular economy through its products.

To manage this ambition, the Adler Pelzer Group has defined specific, measurable targets that also apply to the STS Group:

- **Increasing the proportion of recycled materials:** The STS Group aims to increase the proportion of recycled materials in its products to over 25%;
- **Continuous waste reduction:** To increase operational resource efficiency, the Group has committed to reducing total waste volume by 5% annually compared to the previous year.

Progress and Current Status

A precise waste metrics model based on ESRS data points was introduced for the 2026 reporting year and has been in pilot operation since February 2026.

E5-4 Resource inflows

The resources essential to business operations of the STS Group can be divided into the following categories:

- **Raw materials for thermosets (SMC):** In-house production of SMC is a core process. This involves the use of significant quantities of glass fibers (as a reinforcing material), resins (as a matrix), and fillers.
- **Thermoplastics:** Various thermoplastics are procured for injection molding processes.

- **Coating chemicals:** Paints and chemical additives are used for surface finishing.
- **Semi-finished products and components:** Procurement of steel and plastic parts as well as complex components such as lighting systems and electronic components, which are integrated into end products.
- **Internal material flows and assembly:** A significant portion of logistics involves the delivery of SMC semi-finished products from the MCR plant in France to the other STS sites in the U.S. and Mexico, as well as the procurement of adhesives, fasteners, and metal components.

According to the current analysis, the directly processed primary raw materials (resins, fibers, thermoplastics) do not contain any critical raw materials or rare earth elements in significant quantities as defined by the EU List of Critical Raw Materials (pursuant to Regulation (EU) 2024/1252 – Critical Raw Materials Act).

At this time, the STS Group does not systematically track the total weight of the products and materials used, nor the proportion of secondary (recycled) components, on a global level. The Group is working on implementing processes and systems to reliably report the required data (total weight, recycled content) in future reports.

E5-5 Resource Outflows

The STS Group's products are used as an integral part of commercial vehicles and automobiles. Therefore, the service life of STS products corresponds to the entire service life of the vehicle in which they are installed. All products are designed to remain fully functional under normal operating conditions throughout their entire product lifecycle. Material properties are specifically selected to prevent premature wear. Assemblies are designed so that, in the event of a defect, only individual components need to be replaced. This significantly reduces resource consumption during the use phase.

In the 2025 reporting year, a total of 4,717.81 metric tons of waste was generated. The total amount of hazardous waste for the 2025 reporting year was 1,826.86 metric tons (part of the total amount). No radioactive waste was generated.

All waste streams relevant to the STS Group are listed as follows:

- **Material waste:**
 - Production waste (offcuts, rejects)
 - Defective raw materials (e.g., damaged fabric rolls, warped fiberglass panels, or contaminated resins)

- Non-saleable/non-compliant components
- **Process waste:**
 - Dust/fine dust
 - Excess adhesives and resins (e.g., polyurethane)
 - Wastewater
 - Packaging waste
- **Production-related waste:**
 - Used tools and equipment (e.g., worn cutting tools/damaged machine components)
 - Maintenance waste (e.g., oils, lubricants, and filters)
 - Personal protective equipment (e.g., gloves, masks)
- **Hazardous waste:**
 - Chemical waste (e.g., solvents, hardeners, or cleaning agents)
 - Contaminated material
 - Resin curing waste
 - Used filters
- **Recycling:**
 - Reusable waste, recyclable material,
- **General office and facility waste:**
 - Administrative waste
 - Cafeteria waste (organic waste, food packaging)

The materials contained in the waste are tracked by the STS Group and are listed as examples in the following section.

The “Total Waste” metric measures the amount of waste in tons per plant for each month. This is intended to provide an overview of the amount of waste leaving each plant every month. The data is then aggregated to calculate the annual amount of waste. The raw data for this comes from invoices or delivery notes from the waste disposal company. Examples of waste: paper and cardboard, textile waste, plastic, rubber, household waste, plastic film packaging, wooden pallets, empty aerosol cans, batteries, electronic scrap, fluorescent tubes, toner or printer cartridges, etc.

The “Hazardous Waste” metric is used to determine the amount of hazardous waste per plant for each month. The data is then aggregated to calculate the annual amount of waste. “Hazardous waste” refers to all hazardous materials, substances, or objects that the company wishes to dispose of or is required to dispose of. Only waste that has left the site is included in the KPI calculation. Examples of hazardous waste are: used oil, residues of hazardous

substances (e.g., isocyanate, polyol, release agents), plastic films containing hazardous substances, paints, varnishes, batteries, and electronic waste.

3. SOCIAL ISSUES

ESRS S1 – OWN WORKFORCE

S1-1 – Policies related to own workforce

Since the 2021 fiscal year, the STS Group has adopted the Adler Pelzer Group's goals, policies, and corresponding metrics for managing key human resources issues. In addition, individual locations have specific policies adapted to national labor laws.

These policies also rule the procedure for involving employees and their representatives in the assessment of impacts and the mitigation of negative consequences and apply to all STS Group employees. Furthermore, they describe the processes and channels through which employees can report violations or raise concerns.

These policies are consistent with internationally recognized standards, including:

- the UN Guiding Principles on Business and Human Rights;
- the International Bill of Human Rights;
- the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

The STS Group has numerous policies in place to manage the significant impacts on its workforce as well as the associated risks and opportunities.

In its human rights policies and corresponding strategies regarding its own workforce, the STS Group explicitly addresses the issues of human trafficking, forced labor, and child labor. In addition, the Group has a management system in place for the prevention of workplace accidents.

Overarching policies of the STS Group are listed below:

- **Human Rights Statement:** This statement represents the Group's (of Adler Pelzer Group, including the STS Group) global approach to respecting and defending human rights. Human rights are fundamental values that guide the STS Group's conduct in all aspects of its business operations. It applies to all Group's activities. The approach to respecting and safeguarding human rights is based on the United Nations Guiding Principles, the International Bill of Human Rights, and the

International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The document addresses rights and environmental aspects, forced and child labor, as well as human trafficking, the prevention of human rights risks, employment and equal treatment, and health and safety at every location.

- **Corporate Policy 2024 CSR & QSHE:** This policy covers the health and safety of the company's own workforce, compliance with management systems, training and the security of employee data, and environmentally friendly production processes and products. The STS Group is committed to minimizing risks to the health and safety of its employees. In addition, regular employee training and simulations are conducted to minimize this risk.
- **Code of Business Conduct:** The Code encompasses all internal standards and rules of the Group and governs topics such as general conduct, legality and compliance with laws, the whistleblower procedure, health and safety in the workplace, communication, and data protection. The STS Group is committed to a corporate culture based on honesty, integrity, transparency, and respect. All employees are required to observe these principles and comply with legal regulations. All employees have the right to fair working conditions, health, and safety. Discrimination in any form is not tolerated. Personal data protection is also an essential component of corporate protection. The Group is committed to a safe and healthy work environment and also respects employees' right to freedom of association and collective bargaining.
- **Policy Statement LkSG:** This policy is primarily directed at the Group's supply chain. The STS Group considers respect for human rights and environmental protection to be essential components of its daily business operations. The company is committed to upholding human rights and environmental standards throughout the entire value chain. In particular, it strives to protect the health and safety of employees, respect the rights of trade unions and employee representatives, and promote diversity, equality, and inclusion. Furthermore, it advocates for responsible labor practices and does not tolerate any form of discrimination or harassment.
- **Whistleblowing Policy:** This policy is a central component of the STS Group's established whistleblower protection system. Together with the whistleblower reporting channel, it is intended to ensure that potential violations of legal regulations, human rights, internal policies, or ethical standards can be identified and addressed at an early stage.

The Legal, Human Resources, Risk Management, Procurement departments, as well as Executive Management and the Human Rights Officer are responsible for implementing the above-mentioned policies.

Workshops involving strategically important stakeholders, such as department heads, are held to develop the policies that are made available to all employees on the company website and via internal communication channels. In addition, new employees receive training on the contents of the Code of Business Conduct.

The STS Group maintains a zero-tolerance policy toward any form of discrimination. Discrimination based on ethnic or social origin, gender, nationality, language, religion, physical or mental disabilities, sexual orientation, health status, age, union membership, or political beliefs is not tolerated. The STS Group promotes a culture of diversity, equity, and inclusion. Fair wages, respectful treatment, and social dialogue with employee representatives (trade unions/works councils) are firmly anchored as fundamental principles in the corporate strategy. These issues are covered in the Group's Human Rights Statement and are incorporated into all HR processes (recruiting, promotion, compensation) as well as into domestic and international business activities. Through its Code of Conduct for Suppliers, the STS Group also requires its business partners to comply with these rules.

The STS Group has specific measures in place for the retraining and protection of employees with disabilities and health limitations.

S1-2 - Processes for engaging with own workers and workers' representatives about impacts

The STS Group maintains an open dialogue with its employees and their representatives, including works councils and trade unions. Social dialogue serves as a bridge between the management and the workforce to ensure fair working conditions. The structure of employee representation within the Group is decentralized to take into account respective national legislation and local labor conditions. The site in Salem, USA, and the site in Kandel, Germany, do not have a works council. At all other locations, elected works councils form the foundation of the dialogue. They represent the interests of the workforce in operational matters such as working hours, occupational safety, and health protection. In regions with high collective bargaining coverage, such as France and China, the STS Group works closely with the relevant workers' representatives. Collective bargaining agreements form the basis for compensation and benefits. At locations without formal statutory representative bodies, the STS Group promotes open and direct communication channels (town hall meetings, feedback systems) to ensure that employees' voices are heard. Management proactively involves employee representatives in key decision-making processes, such as consultation processes: in the event

of significant operational changes, consultations take place to mitigate social impacts and develop joint solutions (e.g., balancing of interests). Further information on social dialogue and employee coverage can be found in Section S1-8.

Employees are directly and indirectly involved in the dialogue at various levels: at the Group level, regular meetings are held with the works councils. Department heads hold at least one meeting per year with employees, and there is also an employee assembly at least once a year (in France, three to four times). In addition, the Group engages with its employees through other initiatives carried out at the site level in various countries. Examples include sustainability events in France, open houses, and summer and breakfast events in Mexico.

The operational managers within the STS Group who ensure that this exchange takes place and that the insights gained are incorporated into the company's approach are: the plant manager at the local level, the human resources department at the site level (country-specific), and the entire executive management above the plant manager at the corporate level. The approach to respecting and safeguarding human rights is based on the United Nations Guiding Principles, the "International Bill of Human Rights," and the "ILO Declaration on Fundamental Principles and Rights at Work." There is no systematic monitoring at the corporate level.

To gain insights into the perspectives of particularly vulnerable employee groups (for STS, these are people with health limitations or disabilities), feedback sessions are conducted between these categories of employees and HR managers.

S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns

The STS Group follows a structured approach to address potential negative impacts on its own workforce. Central elements of this process are a whistleblower policy and an established, IT-based whistleblower system through which employees can report violations of internal policies, legal requirements, discrimination, or human rights risks directly to the company. Information on ensuring the effectiveness and confidentiality of these measures with regard to the processing of incoming reports by the Whistleblowing Committee can be found in Chapter G1.

Awareness of the online reporting channels is fostered through training and transparent communication channels within the Group. The whistleblowing system is available online to all employees. As part of the onboarding process for new employees, they are specifically informed about the options for raising concerns. In addition to the company's internal reporting systems, the STS Group also collaborates with employee representatives. New employees are explicitly informed about the existence and role of works councils and trade unions at the respective global locations. These serve as additional channels for submitting complaints.

During their onboarding process and through internal communication channels, employees are made aware of the existing structures and mechanisms for reporting and addressing their concerns and needs. However, no specific assessment of the quality of these channels or of employee awareness is conducted. Further information is provided in the context of ESRS G1-1.

S1-4 - Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The STS Group follows a systematic approach to prevent, mitigate, and address potential negative impacts on its own workforce and to promote positive impacts. To manage the identified impacts, the STS Group, as part of the Adler Pelzer Group, has a comprehensive package of measures in place:

- **Health and Safety (H&S):** The Group's individual companies in Europe, China, and Mexico are certified to ISO 45001 (Occupational Health and Safety Management System), which provides a systematic framework for improving health and safety in the workplace, minimizing occupational risks, and meeting legal requirements. To proactively identify hazards, regular training sessions on health and safety topics are conducted. In addition, the Group maintains a set of KPIs for monitoring various areas, including accident rates and fire safety. 5S audits to assess workplace organization are also conducted regularly. Identified deficiencies are addressed through dedicated action plans within quality and H&S management.
- **Working Conditions and Human Rights:** To prevent child labor and uphold human rights, the Group relies on continuous monitoring of dedicated KPIs covering topics such as verifying employee age, the number of training hours for employees, and preventing harassment in the workplace. The established IT-driven complaint mechanism serves, among other things, as a tool to combat human rights violations in the workplace.
- **Skills Development and Work-Life Balance:** The APG Academy offers subject-specific training programs for professional development. Where operationally feasible – primarily in administration – the STS Group promotes its employees' work-life balance through smart working models. Additionally, all employees have the opportunity to take time off in lieu of overtime.

The measures mentioned apply to all employees of the Group worldwide who are also affected by the material identified impacts, including full-time, part-time, permanent, and temporary employees. Approximately 80% of the Group's workforce is employed in production (so-called "blue-collar" workers).

All of the measures mentioned have already been implemented and are monitored regularly.

The STS Group provides the necessary resources to implement the above-mentioned measures:

- Financial resources are explicitly allocated to the operation of the whistleblower system, the infrastructure of the APG Academy, and external training providers;
- The management and monitoring of HR KPIs, as well as the operational development of the guidelines, are handled by HR management. The personnel costs incurred for this are included in the regular salaries of HR managers and are not reported separately as individual cost items; however, they are an integral part of budget planning.

Targets have been set for each HR KPI, and the degree to which these targets are met is regularly tracked. In this way, the STS Group also monitors the effectiveness of its measures and initiatives. Monitoring HR KPIs in conjunction with a systematic dialogue with employees and a corresponding feedback mechanism enables the early identification, monitoring, and mitigation of negative impacts and risks. The number and nature of cases reported via the whistleblower system serve as an additional control tool.

The STS Group recognizes opportunities in the areas of employee productivity, increasing employer attractiveness, and employee retention. To capitalize on these, it relies on the consistent implementation of internal policies, such as the "Code of Business Conduct" and the "Human Rights Statement," as well as on the tracking and expansion of training hours for employees. In addition, it offers flexible work models (such as remote work) wherever possible. Regular dialogue with employees and their supervisors also serves to identify potential opportunities.

S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The HR KPIs used by the STS Group are derived from the content of the applicable internal policies. These are based on international human rights principles or are consistent with them. Monitoring the development of material issues related to employees, together with meeting

customer expectations, are the main objectives of tracking the KPIs.

The objectives related to the HR metrics are described below:

1. Performance reviews should take place at least once a year;
2. Flexible work arrangements (e.g., remote work) should be offered to 30% of employees;
3. 90% of employees should be covered by elected employee representatives or collective bargaining agreements;
4. Provision of subject-specific training through the APG Academy for 100% of white-collar employees;
5. 9 training hours (on average) per year per employee should be guaranteed.

The targets are reviewed regularly twice a year.

The definition and monitoring of KPI targets are based on legal requirements at the national or international level, as well as on customer expectations and requests. When setting targets for the Group of monitored HR-related KPIs, customers and their interests and expectations are considered fundamental. In the 2025 reporting year, there were no changes compared to the first year of the targets' introduction (2023).

As of the reporting date, a performance assessment based on the established targets is not possible, as target achievement for the reporting period is still being reviewed and measured.

The Group's own employees or their representatives were not directly involved in setting the goals related to HR topics. However, the interests of the STS Group's key customers were taken into account when deciding which metrics and corresponding goals should be considered. The focus of the engagement processes with the company's own workforce is on business goals related to production output as well as the goals and progress at each location.

The Group's HR manager collects data on the achievement of HR KPIs as well as other key metrics related to productivity, safety, and employee absenteeism across all locations. During town hall meetings, there is also a presentation and discussion regarding specific collected KPIs and their achievement.

S1-6 - Characteristics of the undertaking's employees

Total number of employees by headcount and breakdown by gender and country as of

December 31, 2025:

Gender	Number of employees (headcount)
Male	1,135
Female	296
Total number of employees	1,431

Country	Number of employees (headcount)
France*	867
China*	302
USA**	137
Mexico**	101
Germany**	24
Total number of employees	1,431

* Countries with ≥ 50 employees that account for at least 10% of the total workforce.

** Countries that do not individually meet the thresholds specified in paragraph 50(a).

The total number of employees (headcount) corresponds to the figures in the consolidated financial statements as of December 31, 2025.

Employees (headcounts) by type of contract, broken down by gender as of December 31, 2025:

Year 2025	
Female	Male
Number of employees	
296	1,135
Number of permanent employees	
255	1,049
Number of temporary employees	
41	86
Number of employees without guaranteed working hours	
0	0
Number of full-time employees	
287	1,104

Number of part-time employees	
9	31

The total number of employees who left the company during the reporting period is 237 (headcount). The employee turnover rate for the reporting period is 16.56%. To calculate its own employee turnover rate, the company counts the total number of employees who left voluntarily or due to termination or retirement.

Employee data is collected group-wide in headcounts and at the end of the reporting period on December 31.

S1-8 - Collective bargaining coverage and social dialogue

	Collective Bargaining Coverage		Social dialogue
Coverage Rate	Employees - EEA (for countries with >50 empl. representing >10% total empl.)	Employees - Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0-19%			
20-39%			
40-59%			
60-79%			
80-100%	France (100 %)	China (100%)	France (100%)

S1-9 - Diversity metrics

The top management level of the STS Group is defined as the first level below the Management Board. It consists of the Managing Director of the Plastics and Materials segments and the Managing Director of the China segment. In total, there are two top managers (approx. 0.14% of the workforce, none of whom are women).

Distribution of employees by age group:

- Under 30 years old: 123 employees
- 30-50 years: 697 employees
- Over 50 years old: 611 employees

S1-14 Health and safety metrics

100% of the STS Group's own workforce is covered by the Group's health and safety management system. There were no fatal workplace accidents during the reporting period.

However, 43 workplace accidents were reportable.

S1-17 Incidents, complaints, and severe human rights impacts

No cases of discrimination, including harassment, were reported during the reporting period. Furthermore, there were no fines, sanctions, or compensation payments.

The Group's whistleblower system is available for reporting work-related incidents and complaints.

S2 workers in the value chain

S2-1 Policies related to value chain workers

The STS Group has policies and mechanisms in place to manage material impacts and risks related to its suppliers and customers. These have been adopted from the Adler Pelzer Group and applied to all suppliers in all countries where the STS Group operates.

The relevant policies are listed and briefly described below:

"Human Rights Statement": The principles of this statement apply to all activities domestically and abroad, including aspects of the supply chain. A detailed description of the policy can be found in Chapter S1.

"Supplier Risk Management Policy": To identify and minimize potential risks in the supply chain arising from non-compliant or illegal business conduct by suppliers, the STS Group has adopted this policy, which establishes the principles, objectives, and procedures for effective risk management in the supply chain. This policy was adopted from the Adler Pelzer Group and is based on the following standards and ISO certifications:

- CSDDD, which mandates the implementation of due diligence obligations throughout the entire supply chain and will also apply to the Adler Pelzer Group and the STS Group in the future;
- Supply Chain Due Diligence Act (LkSG)
- ISO 14001 (Environmental Management),
- ISO 45001 (occupational health and safety),
- IATF 16949 (quality management in the automotive industry).
- UN and OECD Guidelines on Business and Human Rights.

"Policy Statement LkSG": The STS Group is committed to upholding human rights and environmental standards throughout its entire value chain. A detailed description of the policy can be found in both Chapter S1 and Chapter E1.

"Responsible Sourcing Policy": A policy that ensures compliance with laws and standards regarding the sourcing and use of raw materials in the supply chain. The STS Group underscores its adherence to international human rights and environmental standards, with a focus on conflict minerals in high-risk areas, and its commitment to using responsibly sourced and safe materials for its products. This policy supplements the Code of Conduct for Suppliers.

"Code of Conduct for Suppliers": The Code of Conduct for Suppliers serves as an official document to mandate compliance with national and international standards throughout the supply chain and to exert a positive influence on working conditions at suppliers. The Code of Conduct contains numerous obligations for Tier 1 suppliers, including:

- fair working conditions (wages, working hours, vacation),
- right to freedom of assembly and association,
- responsibility for health and safety standards,
- prohibition of discrimination,
- prohibition of forced and child labor.

The Code of Conduct also covers key issues such as forced labor, child labor, and human trafficking.

Primary responsibility for the content and implementation of the above guidelines lies with the CSO (Chief Sustainability Officer), the Human Rights Officer, the Head of the Quality, Health & Safety Department, and the CEO of the STS Group.

All guidelines are in line with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Core Labour Standards. The STS Group is committed to complying with national and international standards.

The concerns of suppliers and their employees are incorporated into the guidelines through the analysis of data from complaint mechanisms, industry benchmarks, and ESG risk information from the "Prewave software", which is described in detail in the following sections. These contributions help identify key concerns, particularly regarding labor rights, working conditions, and the ethical sourcing of raw materials.

The mandatory Code of Conduct for Suppliers is incorporated into contracts with suppliers. The document is also available online on the company website. The other policies, such as the Human Rights Policy, are available online.

To monitor the implementation of the aforementioned guidelines, the STS Group has been using the “Prewave software” for some of its suppliers since the 2025 fiscal year, in addition to the whistleblower system already described in the chapters G1 and S1. The software was previously used by the Adler Pelzer Group and has been implemented by the STS Group since the 2025 fiscal year. Currently, only suppliers that serve both the Adler Pelzer Group and the STS Group are tracked by the software. The software tracks Tier 1 suppliers (directly monitored) as well as, in some cases, Tier 2 and Tier 3 suppliers—indirectly, provided that information is made available by the Tier 1 suppliers, and serves to identify ESG risks across regions and sectors. Based on predictive analyses and global risk databases, high-risk regions and raw materials are highlighted. The software supports the monitoring process to ensure suppliers' compliance with international human rights frameworks (the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Core Labour Standards).

Further information on managing supplier relationships can be found in the section under “G1-2 – Management of Supplier Relationships.”

The STS Group has a risk-based due diligence approach to ensure that its suppliers meet requirements regarding human rights and environmental standards. The management of identified risks and adverse impacts in the supply chain follows the phases outlined in the Group's Risk Management Policy: risks are first identified, then analyzed, and finally assessed. A decision is then made: to accept, avoid, reduce, or transfer the risk. Furthermore, if a business partner fails to comply with applicable laws or corporate principles regarding human rights and the environment, the STS Group reserves the right to terminate the business relationship.

The STS Group's strategies regarding the workforce in the value chain are consistently aligned with internationally recognized frameworks. Through its standards and expectations regarding compliance with national and international norms in the area of human and labor rights, the STS Group aims to encourage its suppliers to adhere to these standards and ensure a safe and sustainable working environment. In this way, the STS Group seeks to ensure that social responsibility is exercised beyond its own operational boundaries. The commitment to comply with these standards is enshrined in the aforementioned policies. The human rights due diligence process aims to identify, prevent, and mitigate negative impacts in the upstream value chain at an early stage. Business partners are required to comply with material labor standards, particularly the prohibition of child and forced labor and the protection of freedom of association and the right to collective bargaining, as outlined in the Code of Conduct for Suppliers.

S2-2 Processes for engaging with value chain workers about impacts

The STS Group is aware that workers in the supply chain may be affected by the Group's procurement practices and operational requirements.

As part of its human rights and supply chain due diligence process, the STS Group maintains mechanisms for the indirect engagement of workers in the supply chain to identify, assess, prevent, and mitigate actual and potential negative impacts on human rights and to promote positive working conditions. The engagement of workers in the supply chain is guided by the aforementioned policies.

The STS Group currently has no standardized procedure for directly and systematically involving workers in the supply chain in the assessment and management of impacts affecting them. The Group engages in dialogue with its suppliers, evaluates them using self-assessments or on-site audits, and subsequently takes appropriate measures to mitigate or remedy the identified negative impacts.

The Procurement Department is responsible for the operational implementation of human rights and environmental due diligence in the supply chain, including compliance with the CSDDD and the LkSG. The Chief Procurement Officer (CPO) is responsible for ensuring effective communication with suppliers and integrating the insights gained from this communication into procurement decisions and due diligence processes.

The STS Group does not have a structured process for evaluating the effectiveness of its engagement with workers in the supply chain.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

The STS Group's approach to addressing material negative impacts on workers in the supply chain is based on early risk identification, supplier engagement, and the implementation of corrective measures. In the event that concerns or violations are reported via the whistleblower system – such as violations of workers' rights or unsafe working conditions – or human rights risks are identified via the "Prewave software", an assessment of the reported case is conducted and appropriate remedial measures are initiated. These include corrective action plans, the involvement of affected stakeholders, and, if necessary, escalation up to and including the termination of supplier relationships. Suppliers are made aware of the "Prewave software" through various channels:

Information letter: Suppliers receive an information letter. This describes the partnership with the "Prewave software" and the data security measures, and directs suppliers to the software's onboarding page.

Direct invitations via the platform: Suppliers are invited via the "Supplier Network" page before they are assigned tasks, to ensure they are already engaged when you contact them.

Assessment notifications: Suppliers receive an email notification asking them to complete questionnaires, which familiarizes them with the platform.

As part of regular dialogue or upon contract completion, suppliers are also introduced to the whistleblower system by the STS Group.

The STS Group does not have a mechanism for assessing the level of awareness and trust among workers in the supply chain regarding the structures of the grievance system through which they can communicate and have their concerns or needs reviewed.

The strategies for protecting individuals against retaliation are explained in the section on ESRS G1-1 disclosures.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

In general, the STS Group has defined the creation and maintenance of a transparent supply chain that adheres to high human rights and environmental standards as one of its top priorities. This could result in a positive impact on suppliers' workers, namely the continuous improvement of working conditions in the supply chain.

In 2025, the STS Group identified potential future measures to improve working conditions in the supply chain while simultaneously strengthening relationships with suppliers. These include expanding ESG training programs for Tier 1 suppliers and sourcing products from certified ethical suppliers. These targeted measures are currently still being discussed internally for possible future implementation.

To address material adverse impacts related to workers in the value chain, the STS Group engages in active dialogue with suppliers and conducts risk assessments of Tier 1 suppliers. The STS Group's purchasing department has also established a risk management system to identify, prevent, mitigate, and eliminate violations of human rights and environmental

regulations along the supply chain. As part of this risk management system, preventive and corrective measures are identified, analyzed, and, where necessary, implemented to prevent and mitigate the identified material risks or negative impacts:

- **Preventive measures:** A preventive measure is implemented for every supplier that received a “critical” or “high” priority in the risk analysis. The measure implemented depends on how the supplier was classified in the risk assessment. However, general or detailed self-assessments are first conducted so that the supplier can confirm any violations themselves. For suppliers with a low or medium risk rating, preventive measures are implemented only as needed. In addition to the aforementioned self-assessments, preventive measures include on-site audits to validate the suppliers' working conditions. The effectiveness of the preventive measures is reviewed once a year and, if necessary, on an ad hoc basis.
- **Remedial Measures:** If a genuine risk exists – when an incident has already occurred and there are violations of human or labor rights – immediate remedial measures are taken to prevent, stop, or minimize the identified violations. An example of this is terminating the business relationship with the supplier as a measure in cases of lack of cooperation.

No action plans are available for the reporting period. Likewise, no quantitative progress data from previous periods is currently required to be disclosed.

The initiatives described above enable increased transparency in the STS Group's supplier relationships and communications. Through regular monitoring of ESG risks and the involvement of suppliers, the STS Group aims to create a high level of transparency in the supply chain, which can contribute to improving the Group's reputation (opportunity for the STS Group).

The STS Group's targeted allocation of resources supports the management of significant impacts on workers in the supply chain. Operational management is carried out through an interdisciplinary approach in which the expertise of the procurement department (primarily) is closely linked to risk management. Dedicated personnel have been assigned to ensure effective monitoring and management of human and labor rights, specializing in the implementation of human rights due diligence obligations. These personnel resources are complemented by a modern technological infrastructure that enables structured risk monitoring. The financial sustainability of these measures is ensured through long-term budgeting. In addition to the ongoing personnel costs for the relevant subject matter experts, this includes, in particular, license and operating costs for the software solution used. For the use of the “Prewave software”, approximately EUR 15,000 per year were budgeted as operating costs starting in the 2025 reporting year. These expenses are recorded under operating expenses (OpEX) and

are generally classified under the items "Compliance and Risk Management" or "IT Services" in the annual financial statements.

The STS Group is aware that its procurement and contracting practices can influence working conditions within its supply chain. Various safeguards have been implemented to minimize potential negative impacts. These include fair and transparent supplier selection processes, adherence to reasonable delivery times, and pricing strategies. The Code of Conduct for Suppliers sets out clear expectations regarding labor rights and working conditions.

In the 2025 reporting year, no serious human rights-related incidents or irregularities were reported along the upstream and downstream value chain.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The overarching goal of the STS Group is to prevent human rights violations and poor working conditions among Tier 1 suppliers worldwide. The STS Group has also set a specific target of achieving 100% coverage of the Group's relevant suppliers in the coming years. The first assessment of target achievement will take place in 2026, after which progress will be evaluated annually. The identification of relevant suppliers is based on a systematic segmentation according to strategic relevance, procurement volume, and specific ESG risk exposure.

In the 2025 reporting year, no severe human rights-related incidents or violations were reported along the upstream and downstream value chain. To this end, the STS Group uses data from its whistleblower system as well as analyses from the "Prewave software". The latter serves as a proxy for stakeholder perspectives by evaluating NGO reports, media coverage, and union reports in real time. The data obtained is directly incorporated into audit planning, supplier development, and the refinement of internal procurement guidelines.

4. GOVERNANCE

ESRS G1 – BUSINESS CONDUCT

G1-1 – Corporate culture and business conduct policies

The STS Group's corporate culture is shaped by its vision, mission, and four core corporate values, which guide daily actions and decision-making:

- **Integrity:** Integrity and honesty are the cornerstones of the STS Group's identity. As an ISO 45001-certified company, employee well-being is at the heart of our corporate culture.
- **Openness:** As a globally active company, the STS Group promotes cultural openness and a commitment to continuous innovation. In a changing automotive market, the search for forward-looking solutions is supported by flat hierarchies and accessible management. Employees at all levels are encouraged to actively contribute and implement ideas.
- **Respect and Commitment:** The STS Group maintains respectful relationships with internal and external stakeholders. This is reflected in a strong customer focus as well as in the targeted promotion and recognition of employee performance. Mutual respect is a fundamental prerequisite for collaboration with all business partners. The Group is committed to offering customer-oriented solutions.

At the STS Group, rules are encompassed by the Group's transparent policies:

- Code of Business Conduct
- Code of Conduct for Suppliers
- Human Rights Statement
- Anti-Bribery and Corruption Policy
- Gifts and Hospitality Policy
- Whistleblowing Policy
- Policy Statement LkSG

The two codes of conducts contain principles and expectations for the company's own employees and suppliers regarding obligations related to human rights, environment, health and safety, corporate ethics, and the development of a sustainable supply chain with a focus on responsible raw material procurement. All new employees receive training on the contents of the code of conduct to learn the company's values and actively promote the corporate

culture. Managers serve as role models for compliance with the Code of Conduct and support its further implementation as part of their leadership responsibilities. In addition to monitoring compliance with policies, this includes actively participating in the further development of behavioral guidelines and processes to ensure daily operations comply with regulations across all areas of the company.

The whistleblower channel complies with the requirements of both the Whistleblower Protection Act and the Supply Chain Due Diligence Act, is subject to high data protection and confidentiality standards, and is available to all employees as well as external third parties. It is publicly accessible on the company's website. This creates the opportunity to report concerns or specific indications of illegal conduct or compliance violations confidentially and without fear of retaliation. With the fully anonymous reporting option available since 2025, the STS Group strengthens trust in these mechanisms and reduces barriers to their use. Reports are treated confidentially and are reviewed, categorized, and investigated exclusively by the Whistleblowing Committee. The investigators appointed by the Whistleblowing Committee are separate from the management chain involved in the matter. This process enables the company to monitor the handling of reported issues and to continuously evaluate the effectiveness of the complaint procedures. The committee consists of the Head of Risk Management, the Head of Human Resources, and the Director of Legal Affairs and Compliance. Individual reported cases are handled in accordance with the labor laws of the respective country. The goal is to foster an environment of integrity and transparency in which misconduct can be proactively identified and addressed.

All new employees receive basic training on business conduct and the Code of Conduct as part of the onboarding process. In addition to the general requirements, employees in roles classified as high-risk with regard to corruption and bribery – including IT, Sales, Purchasing, Supply Chain, and Finance – are required to complete training on “Bribery and Corruption” and “Gifts and Hospitality.” This training addresses specific ethical challenges relevant to their roles.

The results of these investigations and compliance audits are systematically documented and regularly reported in a structured format to the relevant Administrative, Management, and Supervisory Bodies. This process ensures that decision-makers are promptly informed of identified issues and corrective actions taken. The relevant guidelines and complaint mechanisms are accessible and transparently available to all relevant stakeholders via public available online channels and internal communication channels.

The Supervisory Board possesses appropriate professional qualifications that meet current requirements. Additional training or continuing education measures have not been deemed necessary to date. For the current fiscal year, a structured continuing education program is

planned to further support continuous development, particularly with regard to any new requirements for Supervisory Board members and legal developments.

G1-2 – Management of relationships with suppliers

The STS Group is aware of its responsibility toward its suppliers. For small and medium-sized enterprises (SMEs) in particular, late payments can lead to liquidity bottlenecks that threaten their existence. To prevent this and ensure fair terms, the STS Group therefore regularly monitors its payment cycles. In the event of discrepancies or delays in the approval process, the STS Group seeks dialogue with the supplier to bring about a timely resolution. Suppliers also have the option to report delays via established communication channels (including the whistleblower system) so that these can be addressed as a priority.

The STS Group has guidelines and mechanisms in place to manage its relationships with suppliers. These are used globally as official guidelines for selecting new suppliers and maintaining existing supplier relationships. To this end, the STS Group has adopted policies from the Adler Pelzer Group, which contain the principles for legally compliant and fair cooperation with its business partners and suppliers:

- Policy Statement LkSG
- Code of Conduct for Suppliers
- Human Rights Statement

The STS Group is committed to adhering to human rights and environmental standards throughout its entire value chain. The approach to respecting and safeguarding human rights is based on the United Nations Guiding Principles, the International Charter of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The Group is committed to preventing negative impacts on human rights and the environment in its activities and supply chain worldwide and, where possible, to eliminate or mitigate them. The Code of Conduct is binding for all suppliers. They must accept it and adhere to the relevant rules. The STS Group uses the Code of Conduct as a tool to emphasize the importance of compliance with standards throughout the supply chain and to establish a uniform framework for working conditions at suppliers. The Code of Conduct contains numerous obligations, including:

- fair working conditions (wages, working hours, vacation),
- the right to freedom of assembly and association,
- responsibility for health and safety standards,
- prohibition of discrimination,
- prohibition of forced and child labor,

- provision of anonymous complaint mechanisms.

In addition, social and environmental aspects of suppliers are also taken into account through a risk monitoring system as part of the LkSG due diligence process. The STS Group follows a risk-based due diligence approach to verify whether requirements regarding environmental protection and respect for human and labor rights are met in the supply chain. The risk analysis is performed automatically using an AI-supported software. This includes inspections at specific intervals to determine a supplier's risk profile. If a risk profile is alarming, preventive and corrective measures are taken as needed. The results of the risk analysis are decisive for strategic purchasing decisions.

Further information on supplier relationships is included in chapter S2.

G1-3 - Prevention and detection of corruption and bribery

With regard to the topic under G1-3, no material IROs were identified for the STS Group as part of the double materiality analysis. However, due to the legal requirements of the CSR-RUG, the Group is obligated to report on the topics of "corruption and bribery." Therefore, the corresponding ESRS data points under G1-3 and G1-6 are also considered and voluntarily included in this report.

The STS Group has a comprehensive system in place for the prevention, detection, and combating of corruption and bribery. The measures include preventive measures (development and implementation of policies and corresponding training), detective measures (internal control mechanisms and whistleblower systems), and reactive measures (investigations and sanctions in the event of violations).

The STS Group maintains a strict zero-tolerance policy toward corruption and bribery. The Group has an Anti-Bribery and Corruption Policy as well as a self-assessment tool. This tool must be completed by plant managers on an ad hoc basis when identifying potential risks related to bribery and corruption. The tool serves as an internal instrument for assessing potential cases of bribery and corruption within the STS Group.

Overall responsibility for preventing corruption and bribery lies with the Management Board. The "Compliance Officer" is responsible for the key areas of antitrust law, anti-money laundering, and anti-corruption. Specialized departments and contacts within the company manage the areas of data protection, export control, environmental protection, risk management, accounting, taxes, and capital markets law. In addition, mandatory, role-specific training sessions are conducted regularly and are an integral part of the onboarding and refresher programs.

To detect irregularities, the STS Group employs established internal control mechanisms, including segregation of duties and multi-level approval processes (e.g., the four- or six-eyes principle) for financial transactions. Furthermore, financial flows are continuously monitored as part of existing accounting and controlling processes. An anonymous and legally compliant whistleblower system that protects against retaliation enables internal and external stakeholders to report suspected cases. In addition, a dedicated email address has been set up exclusively for corruption cases and is accessible only to the Compliance Officer: anti-bribery@adlerpelzer.com. Proven violations result in consistent disciplinary or legal action and are incorporated into the continuous improvement of internal control systems.

G1-4 - Confirmed incidents of corruption or bribery

No cases of corruption or bribery were reported in the 2025 reporting year. Accordingly, there were no convictions and no fines for violations of corruption and bribery regulations.

G1-6 - Payment practices

The STS Group's payment terms vary depending on the country and type of supplier:

Country	Type of Supplier	Average days for invoice reconciliation	Standard payment terms	% of payments to which standard terms apply
EU		60		
	Suppliers of raw materials/materials		End of month + 45 days* and 45 days + end of month** from invoice date	98%
	Energy suppliers		0 days via direct debit	2%
China	Suppliers of materials		100 days after receipt of goods and the invoice date	70%
	Service providers		80 days after receipt of the invoice	20%
	OpEX		50 days after receipt of the invoice	10%
MEXICO		67		
	Wholesale suppliers		0 days	82%

	Service providers		30 days after receipt of the invoice	9%
	Other suppliers (including those from France)		60 days after receipt of the invoice, except for France: 113 days	Ca. 9%
USA		92		
	Temporary staffing, leasing, rentals, supplies		30 days after receipt of the invoice	59%
	Suppliers of raw materials, freight deliveries		60 days after receipt of the invoice	25%
	Rent, utilities, legal fees, loan agreements		0 days after receipt of invoice	11%
	Other suppliers		45 days after receipt of invoice	4%

**For STS Composite France, MCR, and STS Composite GmbH;*

*** For STS Plastics France*