

Sustainability Report 2025

KOSTAL



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Message from the Board

*Andreas Kostal,
Chairman of the Management Board of KOSTAL Group*

Dear Reader,

What has been driven in recent years by increasing regulatory requirements and growing stakeholder expectations is now entering a new phase. Today, sustainability is increasingly shaped by economic realities, geopolitical developments, and the need for measurable results.

In 2025, global trade tensions and a more fragmented geopolitical environment are influencing international supply chains and investment decisions. At the same time, the automotive industry continues to face significant challenges. Ongoing cost pressure, intensified competition — particularly from Asian manufacturers — and a slower-than-expected transition to electric mobility are reshaping the market environment.

These developments are directly influencing how sustainability is approached. Companies are required to balance ambitious ESG targets with competitiveness and cost efficiency. In this context, sustainability is increasingly seen as a driver of operational performance — through energy efficiency, resource optimisation, and resilient supply chains.

At the same time, expectations from customers and regulators remain high. ESG continues to play a critical role in procurement decisions, with increasing demand for reliable data, transparent product footprints, and consistent target delivery. Sustainability is no longer an additional feature; it is becoming a baseline requirement.

Across industries, the focus is therefore shifting from ambition to execution, consistency, and operational impact, and at KOSTAL, we see this as a natural evolution. Our commitment remains unchanged: to continuously improve our environmental, social, and governance performance and to contribute to a more sustainable future.





In 2025, despite a challenging market environment, KOSTAL Group continued to make progress in embedding sustainability into its core business processes.

Our ESG strategy is further embedded in daily operations, with strengthened governance and harmonised ESG KPIs across the Group, aligned with our production system.

Externally, our progress is reflected in improved ESG ratings, including EcoVadis Bronze and an upgraded CDP score to B, demonstrating enhanced transparency and more structured climate management.

At the same time, we delivered measurable performance improvements across key environmental indicators. Compared to our 2022 baseline, we achieved a 37% reduction in Scope 1 and 2 GHG emission intensity, improved energy intensity by 5%, and water intensity by 7%. In parallel, the share of renewable electricity in our operations increased to 45%.

On climate, we also made important structural progress. We initiated the development of Science Based Targets (SBTi) and completed our Scope 3 emissions baseline analysis, provid-

ing full value chain visibility and establishing the foundation for future decarbonisation efforts and for SBTi target setting.

We further strengthened our ESG data management through the rollout of the Enablon platform, improving data coverage, auditability, and overall data quality. In parallel, we established a standardised Product Carbon Footprint methodology, enabling us to respond to increasing customer requirements with consistent and reliable data.

Our supplier ESG assessment framework has also been expanded by combining risk-based screening, external ratings, and embedding ESG criteria into supplier evaluation and sourcing processes, and now covering approximately 25% of our target suppliers — focusing on those with the highest relevance in terms of spend and risk — thereby increasing transparency and actively supporting suppliers in improving their ESG performance and alignment with our expectations.

These results and actions demonstrate a clear direction: we are building structural processes — not simply reacting to regulatory requirements.

While looking ahead to 2026, our focus remains on further operationalising ESG across governance, operations, and the value chain.

We will continue the execution of our ESG strategy to strengthen our ESG systems and processes, with a clear emphasis on efficiency improvements, CSRD readiness, improved data quality, ESG initiatives in our supply chain, and the finalisation of our Science-Based Targets.

These priorities are not new initiatives, but the continuation and scaling of our strategic direction, focused on building capabilities and ensuring consistent performance improvements across the entire organisation.

At KOSTAL, we have built a strong foundation — strengthening governance, improving ESG data management, establishing clear methodologies, and delivering measurable performance improvements. What matters now is disciplined and consistent execution.

This is how we will protect our competitiveness, secure new business opportunities, and create long-term value — while delivering on our sustainability commitments.

To all our colleagues, suppliers, and business partners — thank you for your continued dedication and contribution.

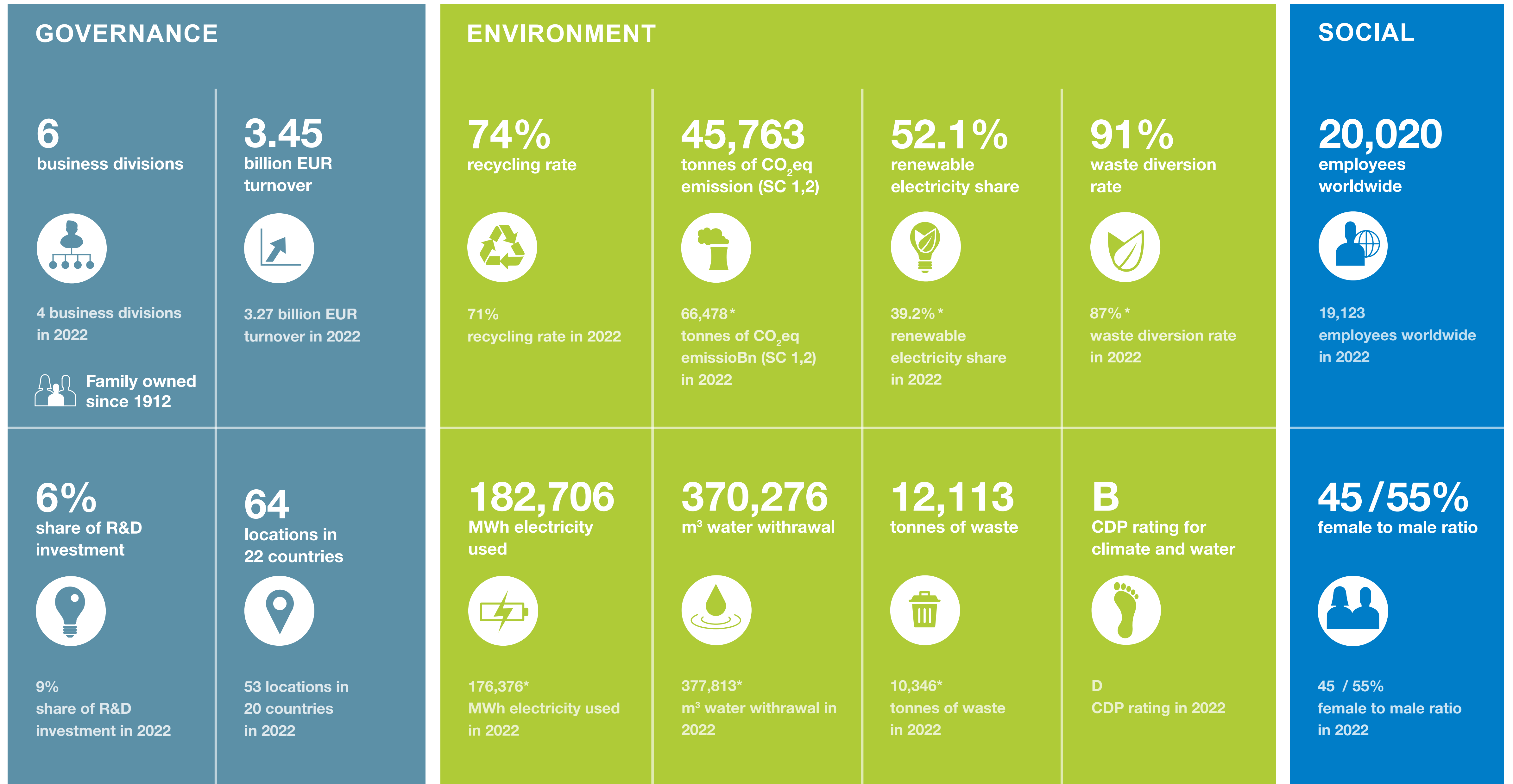
We look forward to continuing this journey together on OUR WAY to a sustainable future.



OUR WAY
to a sustainable future



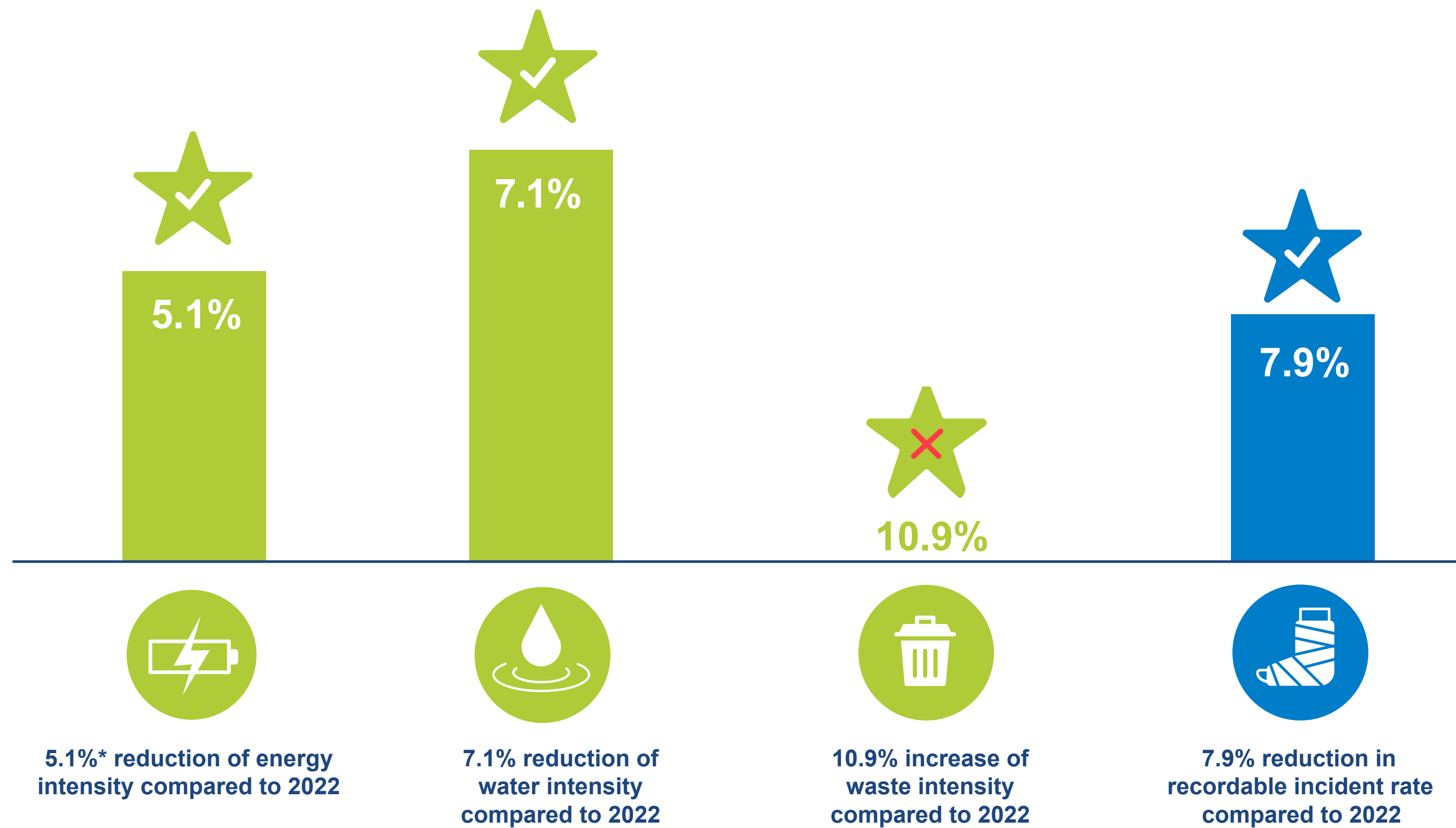
ESG highlights 2025



*Changes have been made to the baseline (2022) data due to internal data verification carried out between 2023-2025. More information is available on page [117](#)



2025 ESG achievements compared to baseline



1,345%
increase of self-generated non-fuel renewable energy

36.7%
reduction of carbon intensity compared to 2022

43.9%
reduction of the number of days lost to work-related injuries compared to 2022

*Changes have been made to the baseline (2022) data due to internal data verification carried out between 2023-2025. More information is available on page [117](#)



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Sustainability governance

We believe effective sustainability governance requires integrated leadership, clear accountability, robust internal control processes, and transparent reporting. It enables KOSTAL to manage impacts, risks and opportunities (IROs), support people, respect the environment, and safeguard long-term business resilience for current and future generations.

Our governance model provides the framework for developing and implementing sustainability strategies and operating models. It strengthens accountability, enables broad organisational involvement, and helps ensure that our strategic priorities remain aligned with our values and material sustainability topics. Strong governance supports our ability to understand and manage sustainability-related impacts, risks and opportunities (IROs), set clear mid- and long-term objectives, and monitor progress at the highest levels of decision-making.

Leadership engagement and accountability support the integration of sustainability principles into our strategy, culture, and everyday operations.

The KOSTAL Group Management Board plays a central role in driving the company's business success, supported by diverse expertise and competence. Comprising senior leaders from key business areas, including the Group CEO, CFO and the CEO of the KOSTAL Mobility division, the Board brings experience across finance, corporate management, engineering and technology. The Board regularly reviews performance, approves key initiatives, and oversees internal policies, including those relevant to sustainability topics. The Global Head of Sustainability (appointed in 2022) works closely with the CFO and Executive Leadership Board to implement sustainability strategies and to further develop the sustainability governance and reporting approach.





Sustainability Steering Committee

Ultimate responsibility for climate-related issues resides in the Sustainability Steering Committee of KOSTAL Group. The Sustainability Steering Committee is the highest-level body to lead Sustainability Strategy and oversight within KOSTAL Group. The committee members are senior members of the KOSTAL Group management board, including the Group CEO, the CEO of the KOSTAL Mobility division, and the CFO of KOSTAL Group. The Sustainability Steering Committee is responsible for shaping and overseeing the application of the Group's environmental, social, and corporate governance policies, procedures, and programmes.

The Group Sustainability Steering Committee, with the Global Head of Sustainability, conducts quarterly strategic sustainability reviews in which KOSTAL Group's sustainability initiatives, targets, and investments are approved, and the sustainability performance of the organisation is reviewed.

Group Sustainability Office

Recognising the increasing complexity and stakeholder interest in sustainability, KOSTAL Group established a central sustainability unit in 2022. This central team leads ESG strategies and initiatives across our organisation, coordinating both internal and external sustainability communications. It also manages sustainability-related disclosures on a regular basis, ensuring alignment with globally recognised frameworks and customer expectations.

The Group Sustainability Office is the primary point of contact for all sustainability-related matters for all stakeholders. Within the Group, it defines the introduction and implementation of sustainability metrics and KPIs, monitors progress on Sustainability Strategy, and reports to various external and internal stakeholders, like the Sustainability Steering Committee.

The Global Head of Sustainability reports to the Sustainability Steering Committee on a quarterly basis during meetings, where the committee reviews and revises KOSTAL Group's corporate governance procedures and policies; sustainability policies and programmes; current and emerging environmen-

tal, social, and corporate governance issues and trends, regulatory developments; and the sustainability performance of the organisation.

This unit also assesses external sustainability requirements and prompts the development of suitable implementation concepts by the Group's specialist departments, business areas, and regions.

Group Sustainability Board

The Group Sustainability Board, with its operational focus, keeps the implementation of the sustainability commitments in focus with its quarterly alignment reviews.





“I believe that long-term business success and sustainability go hand in hand. Real progress comes when sustainability becomes part of everyday decisions and the way we work together across KOSTAL.”



József Böhm, Global Head of Sustainability at KOSTAL Group

Its members consist of the leaders of the Divisional Sustainability Boards and senior functional leaders from Human Resources, Supply Chain, Legal, and Finance departments. This level oversees all business divisions and ensures that values and principles are aligned on the KOSTAL Group level.

Divisional Sustainability Boards

At the different business divisions of KOSTAL Group, Divisional Sustainability Boards are established to drive the development and execution of divisional sustainability strategies, review the sustainability performance of the respective division, and support KOSTAL Group in meeting its sustainability ambitions.

With this approach, we ensure alignment from Leadership Board level to the Site Sustainability Teams, integrating sustainability into our everyday operations.

Site Sustainability Teams

Successfully implementing our ESG strategy requires full organisational engagement. Therefore, we prioritise cross-divisional collaboration on sustainability and cultivate a global network of dedicated colleagues.

On all major KOSTAL locations, a sustainability representative (Sustainability Champion) has been appointed to coordinate and drive sustainability-related activities at their site. Site Sustainability Champions report on progress to the central and divisional sustainability teams, promote sustainability, and coordinate site-level sustainability actions.

We introduced a two-step validation process for sustainability data reporting by assigning sustainability data contributors and validators to track progress and report to the central and divisional sustainability teams. Read more on the validation process on [page 11](#).



Management systems

The key principles of our ESG management system are integrated into and reinforced by our global policies, procedures, programmes, communications, training, and culture. Some of these policies include:

- [Our Values](#),
- [Code of Conduct](#),
- [Supply Chain Code of Conduct](#)
- [Environmental Policy](#),
- [Health and Safety Policy](#),
- [Human Rights Policy](#),
- [Responsible Minerals Policy](#).

The KOSTAL Process Systems (KOPS) enable us to put all external and internal requirements into practice systematically, efficiently, and effectively. It is one of our key ambitions to make sustainability an integral component of all our business processes.

To further demonstrate our commitment to meeting the highest standards, our operations

are built on global certifications, such as ISO 9001, IATF 16949, ISO 26262 for Quality, and ISO 14001 for Environmental management.

Sustainability governance achievement in 2025

In 2025, KOSTAL further enhanced its governance, processes and internal control environment for sustainability reporting, with the objective of ensuring completeness, accuracy, consistency and traceability of ESG information across the Group. These measures support ESRS-aligned disclosures and strengthen the reliability of sustainability information used for internal management and external reporting.

Group-wide ESG reporting standard

KOSTAL established a Group-wide ESG reporting standard applicable to all relevant entities. The standard defines harmonised data definitions, calculation methodologies, system boundaries and data quality requirements for material ESG data points. It further specifies reporting timelines, including quarterly reporting cycles, and assigns clear roles and

responsibilities for data ownership, data provision and validation. Documentation, evidence retention and escalation procedures are defined to support transparency, auditability and consistent application across the Group.

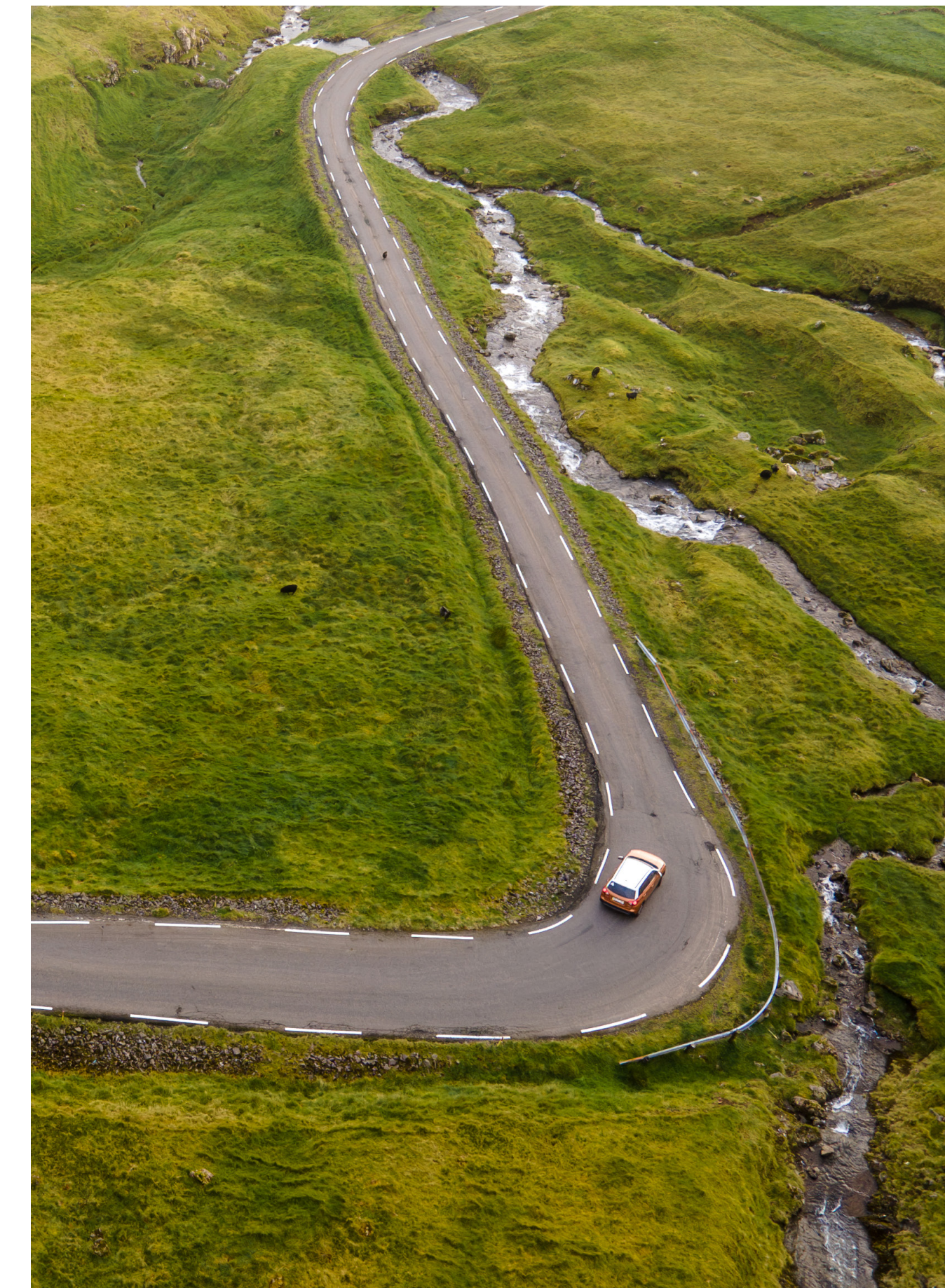
Internal sustainability data audit process

To strengthen the internal control system for sustainability reporting, KOSTAL implemented an internal sustainability data audit process. This process includes controls over completeness, accuracy and methodological consistency of reported data, as well as verification of the defined validation workflow. Identified deviations or data quality issues are subject to structured follow-up actions, including corrections and process improvements. The process contributes to continuous improvement and supports preparedness for external assurance.

Enablon data management system and reporting processes

In 2025, KOSTAL completed the roll-out of the Enablon ESG data management system across all manufacturing sites and established a quarterly ESG data collection and reporting process. The system enables centralised

data capture, standardised workflows and role-based access and validation controls, thereby enhancing data traceability and audit trails. The scope of data collected was further expanded to include additional air emissions indicators and more granular occupational health and safety metrics, supporting ESRS-aligned environmental and social disclosures.





Sustainability Champions

The Sustainability Champions Community, founded in 2023, is a pivotal team dedicated to advancing the KOSTAL Group's Sustainability Strategy at the site level. This community has proven to be a valuable resource, facilitating regular knowledge exchange and best practice sharing among its members.

Since then, the community has continued to serve as an active platform for sharing insights. Members shared effective ESG practices from various sites and communicated important updates on sustainability developments. This forum helps sites stay informed about regulatory changes, leadership directions, encourages initiatives, and provides a unified platform for sustainability teams to collaborate effectively. Enablon has been actively used to support data collection for the 2025 Sustainability Report.

In 2025, we further strengthened the community's impact by launching Improvement Workshops with selected sites. The first workshop topic focused on the recycling rate, with sites grouped according to performance. In these sessions, participants carried out structured thinking exercises, reviewed current processes and key challenges, exchanged practical best practices, and promoted continuous learning across the network. Read more on [page 69](#).

In 2026, we will work closely with the internal production excellence framework, supported by the RACE Team, to compile best practices in a format that is both accessible and practical for use across our factories. We will also enhance local ownership and improve data accuracy for sustainability through targeted governance initiatives.





Materiality and stakeholder engagement

KOSTAL recognises stakeholder engagement and the double materiality assessment as core elements of its sustainability governance and strategy-setting process, in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

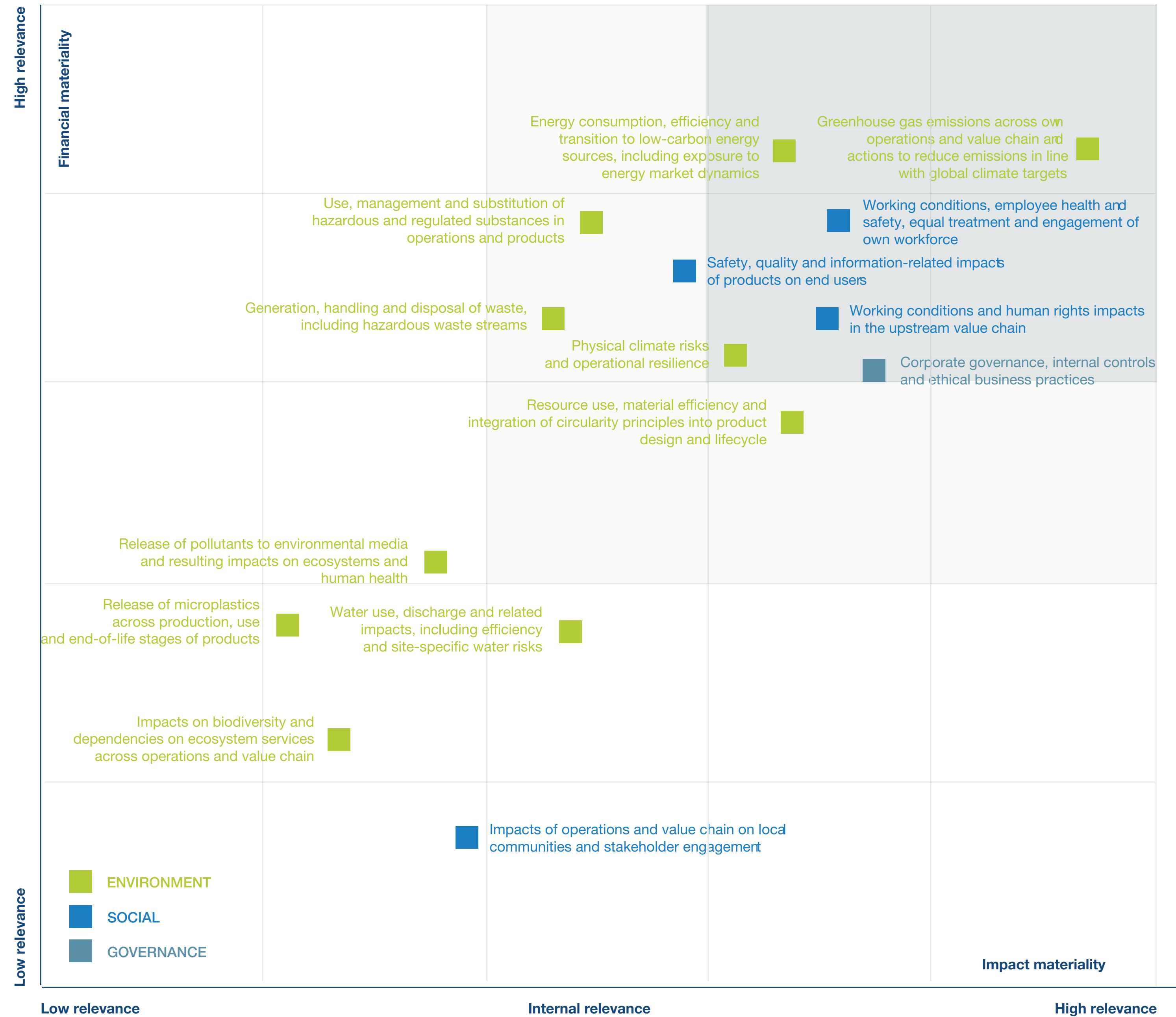
As sustainability becomes a priority for our stakeholders—customers, employees, suppliers, and communities—we must align our strategies to meet these evolving expectations. This alignment helps us build trust, drive innovation, and enhance our competitiveness in the global market.

At KOSTAL, we recognise the importance of maintaining an ongoing dialogue with our stakeholders. We are committed to integrating stakeholder feedback loops into sustainability-related decisions and processes to enhance our engagement and ensure that we are addressing the most material issues. By incorporating stakeholder input into our strategy, we

strengthen our commitment to sustainability and build lasting, collaborative relationships.

Complying with CSRD underscores our commitment to transparency and accountability. The CSRD is a significant step towards standardised, credible, and comparable sustainability reporting across Europe. By adhering to these requirements, KOSTAL not only fulfils regulatory obligations but also reinforces our dedication to responsible business practices and long-term environmental, social, and economic impacts.







ESRS topic	Material / Non-material	Description
E1 Climate Change	Material	Material due to energy-intensive operations, significant GHG footprint, product use-phase impact, and KOSTAL's strategic role in enabling electrification and renewable energy systems amid increasing OEM and regulatory decarbonization requirements.
E2 Pollution	Material	Material due to use of hazardous and regulated substances, exposure risks in production processes, and stringent global chemical compliance requirements impacting operations and product compliance.
E3 Water and marine resources	Non-material	Not material due to limited operational dependency on water-intensive processes and absence of significant water-related impacts or risks across the value chain.
E4 Biodiversity	Non-material	Not material due to low land-use intensity, absence of operations in sensitive ecosystems, and no significant biodiversity-related impacts identified.
E5 Resource use and circular economy	Material	Material due to reliance on critical raw materials, significant production waste streams, and increasing regulatory and customer requirements for circular product design, recyclability, and resource efficiency.
S1 Own workforce	Material	Material due to high exposure to occupational health and safety risks, hazardous substances, and the importance of fair working conditions and employee well-being across global manufacturing operations.
S2 Workers in the value chain	Material	Material due to elevated human rights risks in global supply chains, including forced labour and conflict minerals, combined with increasing regulatory due diligence obligations (e.g. LkSG, CSDDD).
S3 Affected communities	Non-material	Not material as no significant direct impacts on local communities or related risks were identified within the current operational and value chain scope.
S4 Consumers and end-users	Material	Material due to increasing importance of data protection, cybersecurity, and product integrity, ensuring trust and compliance with OEM and regulatory requirements.
G1 Business conduct	Material	Material due to high exposure to corruption and compliance risks in global operations and supply chains, requiring robust governance, ethical standards, and regulatory adherence.





Double materiality assessment process

Following the initial materiality assessment conducted in 2022, and considering changes in the business environment, regulatory developments and evolving stakeholder expectations, KOSTAL performed a comprehensive update of its double materiality assessment (DMA) in 2025. The assessment was conducted in alignment with ESRS requirements and EFRAG implementation guidance.

The 2025 DMA was designed to identify and assess KOSTAL's material sustainability impacts, risks and opportunities (IROs) across the value chain, applying both impact materiality and financial materiality perspectives.

As part of the process:

- A Group-wide value chain mapping was performed to identify upstream and downstream activities, relevant business relationships and exposure areas.
- Key stakeholder groups were identified, and their engagement methods and frequency were defined to ensure structured and ongoing dialogue.
- A comprehensive long list of more than 800 potential IROs was identified, covering environmental, social and governance topics in line with ESRS topical standards.

- These IROs were systematically assessed using defined criteria for severity (scale, scope, remediability) and likelihood, as well as potential financial effects, in accordance with ESRS methodology.

- The assessment was conducted and validated by the Group Sustainability Board, ensuring appropriate governance oversight and consistency in scoring and evaluation.

- The outcome of this process is a refined set of material ESG topics, which form the basis for KOSTAL's sustainability strategy, risk management integration and ESRS disclosures.

Stakeholder engagement and input integration

Stakeholder input is a key component of KOSTAL's DMA and sustainability governance approach. In 2025, KOSTAL enhanced its understanding of stakeholder expectations through:

- A comprehensive assessment of customer sustainability requirements, including key initiatives and expectations, which are systematically captured and integrated into strategic planning.
- A Group-wide employee **sustainability survey**, providing insights into employee priorities, expectations and engagement related to sustainability topics. We plan to repeat this

survey annually to continue improving our sustainability initiatives.

Around 350 colleagues from across the globe participated in the survey in 2025. The results showed that 69% of employees are familiar with KOSTAL's sustainability ambitions, 96% believe sustainability is important for the company's long-term success, and 86% are willing to engage in sustainability initiatives, motivated primarily by the desire to make a positive impact and personal commitment. Participants suggested providing regular sustainability updates from supervisors and site leaders and linking sustainability goals with personal objectives. Employees also identified key priorities: for environmental issues, energy efficiency and sustainable products; for social issues, health and safety and human rights; and for governance, anti-corruption, anti-bribery, and compliance, including product compliance.

CSRD and ESRS integration

The DMA process and stakeholder engagement activities are embedded within KOSTAL's broader CSRD implementation programme. These measures enhance transparency, ensure alignment with ESRS disclosure requirements and support the preparation of consistent, comparable and decision-useful sustainability information.



Sustainability Strategy

Our commitment to environmental, social and governance (ESG) principles is fundamental to achieving our vision of creating long-term value for both present and future generations. As a family-owned company with over 100 years of history, responsibility and sustainability remain integral to KOSTAL's corporate strategy and decision-making processes.

In 2025, KOSTAL updated its Sustainability Strategy based on the results of its double materiality assessment (DMA), conducted in alignment with the requirements of the **Corporate Sustainability Reporting Directive (CSRD)** and the **European Sustainability Reporting Standards (ESRS)**. The strategy focuses on addressing the most significant impacts, risks and opportunities (IROs) identified across the value chain, covering environmental, social and governance topics.

Through its product portfolio—including electric vehicle charging solutions, solar inverters and industrial electronics—KOSTAL contributes to the transition towards a low-carbon and resource-efficient economy, supporting the decarbonisation of mobility and energy systems.

To achieve our ambitions, our ESG governance framework drives the implementation of the sustainability strategy across the organisation, ensuring alignment between Group-level objectives and local execution. Sustainability is embedded into daily operations through defined policies, management systems, targets and performance monitoring processes.





Our strategic directions focus on the areas identified as material through the DMA:

Decarbonisation and climate change (ESRS E1)

We drive decarbonisation across our operations and value chain by reducing Scope 1 and Scope 2 emissions and managing relevant Scope 3 categories, while addressing transition and physical climate-related risks and opportunities.

Strategic priorities include:

- Reducing Scope 1 and Scope 2 GHG emissions through energy efficiency and operational improvements;
- Increasing the share of renewable electricity (e.g. PPAs, on-site PV);
- Managing Scope 3 emissions, including upstream material carbon intensity and supplier energy mix;
- Developing low-carbon and energy-efficient products;

- Strengthening climate resilience of operations and the supply chain.

Pollution and hazardous substances (ESRS E2)

We manage environmental and health impacts related to hazardous substances by reducing and substituting substances of concern, controlling their use in operations and products, and minimising emissions and exposure risks.

Strategic priorities include:

- Reducing and substituting substances of concern and very high concern (e.g. PFAS, Chromium VI);
- Ensuring safe handling and reducing exposure to hazardous substances;
- Ensuring compliance with regulatory and customer requirements.

Resource efficiency and circular economy (ESRS E5)

We drive resource efficiency and circularity by optimising resource use, reducing waste and integrating circular principles across operations, product design and the broader value chain.

Strategic priorities include:

- Improving resource efficiency and reducing material consumption;
- Increasing the use of secondary raw materials;
- Enhancing product design for recyclability and circularity;
- Reducing production waste, including scrap and electronic waste;
- Minimising landfill and improving waste management practices.

Sustainable products and innovation (ESRS E1, E5)

We integrate sustainability principles into product development and innovation processes to address material impacts and support customers in achieving their ESG objectives.

Strategic priorities include:

- Improving product energy efficiency and use-phase performance;
- Advancing low-carbon product design and lightweighting;
- Integrating product carbon footprint considerations;
- Promoting responsible material selection.



Health, safety and well-being of employees (ESRS S1)

We ensure a safe and healthy working environment by systematically managing occupational health and safety, working conditions and employee well-being across our operations.

Strategic priorities include:

- Preventing work-related injuries and occupational illnesses;
- Managing exposure to hazardous substances;
- Improving ergonomics and reducing physical strain;
- Supporting mental health and employee well-being;
- Ensuring appropriate working conditions, including working hours and fair wages.

Diversity, inclusion and equal opportunity (ESRS S1)

We ensure a diverse and inclusive working environment through equal opportunities, non-discrimination and the promotion of an inclusive corporate culture.

Strategic priorities include:

- Advancing gender equality and equal pay;
- Ensuring equal opportunities and non-discrimination;
- Promoting an inclusive corporate culture.

Human rights and working conditions in the value chain (ESRS S2)

We are committed to strengthening labour standards and advancing human rights across our value chain, going beyond risk mitigation to drive sustainable and responsible sourcing practices.

Strategic priorities include:

- Strengthening supplier due diligence and ESG risk assessments;
- Addressing risks related to forced labour and child labour;
- Ensuring responsible sourcing, including conflict minerals compliance;
- Promoting fair working conditions and freedom of association.

Consumers and end-users (ESRS S4)

We place consumers and end-users at the centre of our innovation and product design activities, ensuring that safety, reliability and evolving expectations are embedded into our solutions.

Strategic priorities include:

- Ensuring product safety and reliability across the product lifecycle;
- Protecting the health and safety of customers and end-users;
- Ensuring data protection and cybersecurity;
- Maintaining compliance with product-related regulatory requirements.



Business conduct and compliance (ESRS G1)

We ensure integrity, transparency and accountability across our operations by implementing robust governance structures, enforcing comprehensive compliance and anti-corruption frameworks, and maintaining effective monitoring and reporting mechanisms.

Strategic priorities include:

- Maintaining and strengthening anti-corruption and anti-bribery frameworks;
- Monitoring and mitigating supplier-related compliance risks;
- Ensuring regulatory compliance across all jurisdictions;
- Promoting ethical behaviour and integrity;
- Strengthening reporting, monitoring and control mechanisms.



Governance, communication and reporting (ESRS 2 GOV-1, BP-2)

We maintain a structured governance framework for sustainability, with defined roles and responsibilities, Board-level oversight and integration into risk management, internal controls and performance management processes.

Strategic priorities include:

- Strengthening ESG governance and oversight structures;
- Integrating sustainability into decision-making and performance management;
- Enhancing ESG data management, transparency and traceability;
- Ensuring consistent and ESRS-aligned reporting;
- Engaging stakeholders through transparent communication.

This approach ensures that KOSTAL's sustainability strategy remains closely aligned with its material ESG topics, supports effective risk management and enables the Group to contribute to sustainable development while strengthening its long-term competitiveness.





Sustainability ambitions by 2030



90%

renewable electricity at all KOSTAL factories



100%

ISO 14001 compliant factories



100%

of target suppliers are reporting ESG data



100%

of target suppliers use renewable electricity



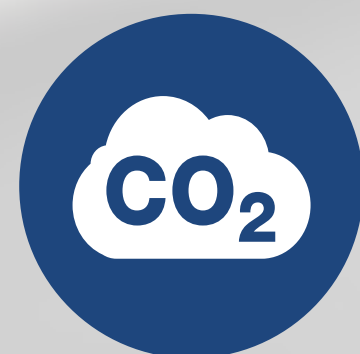
90%

waste diversion rate in production



25%

electricity consumption reduction in production



40%

GHG Emission reduction in value chain



100%

ISO 45001 compliant factories



30%

reduction of recordable incident rate at all KOSTAL sites

Final ambition by 2045



CARBON NEUTRAL



Aligned with our strategic framework, KOSTAL Group's 2030 sustainability ambitions reflect our commitment to a purpose-driven journey towards a sustainable future. We focus on driving sustainability activities across the Group and making measurable progress towards these specific goals.

90% renewable electricity at all factories

KOSTAL aims to source 90% of the electricity used in its factories from renewable sources, reducing reliance on fossil fuels and lowering carbon emissions by 2030.

100% ISO 14001 and ISO 45001 compliant factories

The Group plans to ensure all factories comply with ISO 14001 (environmental management) and ISO 45001 (occupational health and safety) standards for sustainable and safe operations by 2030.

100% of target suppliers reporting ESG data

Aiming for all suppliers, who provide strategic goods or services to report on ESG data to ensure transparency and sustainability across the supply chain by 2030.

100% of target suppliers use renewable electricity

KOSTAL aims for all suppliers of strategic goods and services to use renewable electricity, reinforcing our commitment to significantly reducing supply chain carbon emissions by 2030.

90% waste diversion rate in production

The ambition is to divert 90% of production waste from landfills by recycling thus minimizing environmental impact by 2030.

40% reduction in greenhouse gas emissions in value chain

KOSTAL targets an ambitious 40% reduction in greenhouse gas emissions within our whole value chain to enhance environmental sustainability by 2030. We track the following greenhouse gases: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), and hydrofluorocarbons (HFCs).

25% reduction in electricity consumption in production

The Group aims to reduce electricity consumption in production processes by 25%, improving energy efficiency and reducing costs by 2030.

30% reduction of recordable incident rate

KOSTAL's ambition is to achieve a 30% reduction in recordable incident rate, demonstrating our commitment to fostering a safe, healthy work environment and continuously improving the well-being of our employees.

By 2045, KOSTAL aims to be carbon neutral, balancing emitted and absorbed carbon to achieve net-zero carbon emissions.





Reporting on sustainability progress

Transparency forms the backbone of our sustainability journey. We consistently align our sustainability disclosures with external standards, demonstrating our commitment to transparency and accountability.

We have established harmonised sustainability reporting at regular intervals, ensuring alignment with globally recognised frameworks and customer expectations. Our annual sustainability report is aligned with the GRI and ESRS Standards. We are working towards compliance with CSRD regulation. Find more information on this topic on [page 16](#).

We submit the **Carbon Disclosure Project (CDP)** questionnaire annually. CDP is a global non-profit that runs the world's leading environmental disclosure platform. Moreover, we participate in the **EcoVadis rating** every year to demonstrate our performance in the four themes: environment, labour and human rights, ethics, and sustainable procurement. More information on [page 28](#).

KOSTAL Group has been a member of the United Nations Global Compact (UNGC) since 2022 and is committed to upholding the Ten Principles, encompassing human rights, labour standards, environmental stewardship, and anti-corruption measures. Our commitment extends to aligning our efforts with the United Nations Sustainable Development Goals (SDGs), focusing on areas where we can have significant positive impacts on our employees, the communities and the environment we operate. Each year, we submit KOSTAL Group's **Communication on Progress**.

In 2024 we started the process to set and submit science-based net-zero targets for validation through the independent **Science Based Targets initiative (SBTi)**, aligning with the global effort to limit a temperature increase below 1.5°C. More information on SBTi on [page 55](#).



Global risk management

As a corporate planning practice, we assess environment-related risks focusing on physical risks such as floods, droughts, and water scarcity, which may impact our operations and also on our supply chains. We are committed to assessing climate-related risks. By aligning with the recommendations of global frameworks, we will integrate all relevant environmental risks into our governance and strategy, ensuring we are prepared for future challenges. Addressing these risks is crucial for securing the long-term resilience of our business.

We are committed to expanding our focus on non-climate-related ESG risks, with particular attention to social and governance issues within our supply chain. Our aim is to enhance supply chain transparency and ensure responsible sourcing. We will continue to work towards fair trade and sustainable employment, helping drive positive social impact while fostering long-term value for our stakeholders.



“Sustainability is a competitive factor for us: it reduces total lifecycle cost, strengthens the robustness of our operations and supply chains, and builds trust with customers and employees. Especially in a fast-changing market, that combination of efficiency, transparency, and innovation capability determines long-term success.”

*Hansjörg Herrmann,
Member of the Group Management Board,
CEO KOSTAL Automobil Elektrik*



Our environmental sustainability ambitions and KPIs

FOCUS AREA	TARGET DESCRIPTION	KPIs FOR THE TARGETS AND STATUS 2025	ACTIONS AND STATUS 2025
2030 targets			
Decarbonisation	40% reduction in carbon emissions in our entire value chain.	GHG emission intensity (Scope 1, Scope 2) Direct and indirect GHG emission in tons of CO ₂ equivalent per million EUR revenue.	Compared to baseline -36.7%
		Self generated non-fuel renewable energy The percentage of self generated renewable electricity (like on site solar power generation) from the total electricity consumed during the reporting period.	Compared to baseline 1,345%
		Scope 3 GHG emission intensity Scope 3 GHG emission in tons of CO ₂ equivalent per million EUR revenue.	Under calculation
			<ul style="list-style-type: none"> Submitting SBTi targets Signing the UN pledge 'Business Ambition for 1.5°C' Switching to renewable energy sources Generating on-site renewable electricity Setting site renewable electricity targets Promoting renewable energy
	90% renewable electricity at all KOSTAL factories.	Percentage of renewable electricity The percentage of the renewable electricity from the total electricity consumed during the reporting period.	52.1%
			<ul style="list-style-type: none"> Purchasing green electricity, RECs Identifying opportunities to reduce Scope 3 category GHG emissions
Resource efficiency	25% energy consumption reduction in production.	Energy intensity All energy consumed in MWh per million EUR revenue.	Compared to baseline -5.1%
			<ul style="list-style-type: none"> Fixing site environmental targets and assessments Rationalise and minimise energy use, and incorporate modern technologies to reduce and monitor energy consumption.
	Continuously improve water efficiency on all other sites by a water withdrawal rate reduction.	Water intensity All water consumed during the reporting period in m ³ per million EUR revenue (reduction should focus on water scarce areas).	Compared to baseline -7.1%
			<ul style="list-style-type: none"> Tracking site water quantity Optimising water-use especially at factories that are located in water-scarce areas.
	90% waste diversion rate in production.	Waste diversion rate The percentage of total waste diverted from incineration or landfill.	91%
			<ul style="list-style-type: none"> Setting waste targets Applying circular principles in product design, sourcing, manufacturing and packaging.
	25% reduction of waste intensity .	Waste intensity All waste generated in tons during the reporting period per million EUR revenue.	-10.9%
			<ul style="list-style-type: none"> Monitoring and encouraging ISO 14001 compliance.
100% ISO 14001 compliant factories.	ISO 14001 is an international standard for environmental management systems. We monitor the status of each our factories for our annual Sustainability Report.	100% 	

Indicator statuses and action statuses are showing 2025 results. Intensities and fluctuations are compared to the baseline (2022) where indicated.



FOCUS AREA	TARGET DESCRIPTION	KPIS FOR THE TARGETS AND STATUS 2025	ACTIONS AND STATUS 2025
Sustainable product	Continuously reduce the emissions of products .	<p>GHG emissions reduction from products The estimated total avoided GHG emissions from products in metric tons of CO₂ equivalent.</p> <p>Percentage of reused / recycled raw materials The percentage of reused or recycled raw materials from the total raw materials used during the reporting period.</p>	<ul style="list-style-type: none"> Promoting energy efficiency 6% R&D investment Sustainable product design (reduce complexity, increase reparability, increase recyclability) Reduce hazardous material use and other product safety measures Operational excellence with RACE programme
	100% of target suppliers use renewable electricity .	<p>Suppliers use renewable electricity Percentage of target suppliers committed for green electricity.</p> <p>Under calculation</p>	<p>Product carbon footprint calculation step 1</p>
	100% of target suppliers report ESG data .	<p>Supplier ESG data reporting Percentage of target suppliers reporting ESG data during the reporting year.</p> <p>29%</p>	<ul style="list-style-type: none"> EcoVadis Ratings + Carbon module Identify opportunities to reduce Scope 3 emissions.
Continuously improve responsible sourcing .		<ul style="list-style-type: none"> Management of conflict minerals Supply chain risk analysis and supplier sustainability assesment Compliance Hotline Labour and human rights on the supply chain 	<p>Conflict minerals response rate step 4</p> <p>Supplier dialogue step 3</p>
2045 target			

Carbon neutrality in our entire value chain (Scope 1, 2,3) by 2045.



Our social sustainability ambitions and KPIs

FOCUS AREA	TARGET DESCRIPTION	KPIs FOR THE TARGETS AND STATUS 2025	ACTIONS AND STATUS 2025
2030 targets			
Health and safety	Reduce the recordable incident rate by 30%.	Recordable incident rate Total number of recordable incidents divided by 100 employees.	Compared to baseline 7.9% <ul style="list-style-type: none"> Centralise health and safety measures across all facilities
	Continuously reduce number of days lost to work-related injuries.	Number of days lost to work-related injuries The number of days lost due to work-related injuries and work-related ill health during the reporting period. The number of days is a count of calendar days, not just scheduled work days.	Compared to baseline -43.9% <ul style="list-style-type: none"> Standardise definitions for health and safety We monitor the status of ISO 45001 compliance for the annual Sustainability Report
	100% ISO 45001 compliant factories.	ISO 45001 compliance ISO 45001 is an international standard for occupational health and safety management systems.	24.3%
Diversity	Continuously monitor female to male ratio .	Female to male ratio Female to male ratio refers to the proportion of female employees compared to male.	45 / 55% We are committed to integrate diversity, inclusion and equity into our corporate culture.
			Integrating DEI into our culture step 1
Labour and human rights	Monitor the compliance and ethics concerns .	Reported compliance and ethics concerns Number of compliance and ethics cases in the reporting year.	48 cases <ul style="list-style-type: none"> Internal audit Internal learning platform
	Continuously improve employee development .	Training hours per employee This metric tracks actual time spent in structured learning activities, including e-learning completion, compliance courses or professional upskilling.	156 hours <ul style="list-style-type: none"> Employee development plans
Compliance	Improve compliance training rate .	Compliance training rate Percentage of employees completing the global compliance training.	75%

Indicator statuses and action statuses are showing 2025 results. Intensities and fluctuations are compared to the baseline (2022) where indicated.



KOSTAL receives CDP "B" and EcoVadis Bronze Medal

In 2025, KOSTAL Group further strengthened its performance in two internationally recognised sustainability assessments: EcoVadis and CDP. Our EcoVadis score increased to 67/100, resulting in the EcoVadis Bronze Medal and placing KOSTAL among the top 35% of companies assessed globally. In addition, KOSTAL achieved a "B" rating in the latest CDP assessment, reflecting our continued commitment to climate transparency and responsible environmental management.

As a global company, KOSTAL participates in external sustainability disclosures to provide customers, partners, and other stakeholders with a clear and comparable view of our ESG performance. EcoVadis assesses companies' environmental, social, and ethical management practices, while CDP evaluates transparency and action in relation to climate change.

These results underline our integrated approach to sustainability across the Group and are driven by the ongoing dedication of our colleagues, as well as the collaboration of our suppliers and partners on OUR WAY to a sustainable future.



FROM AMBITION
TO ACTION



Compliance and ethics

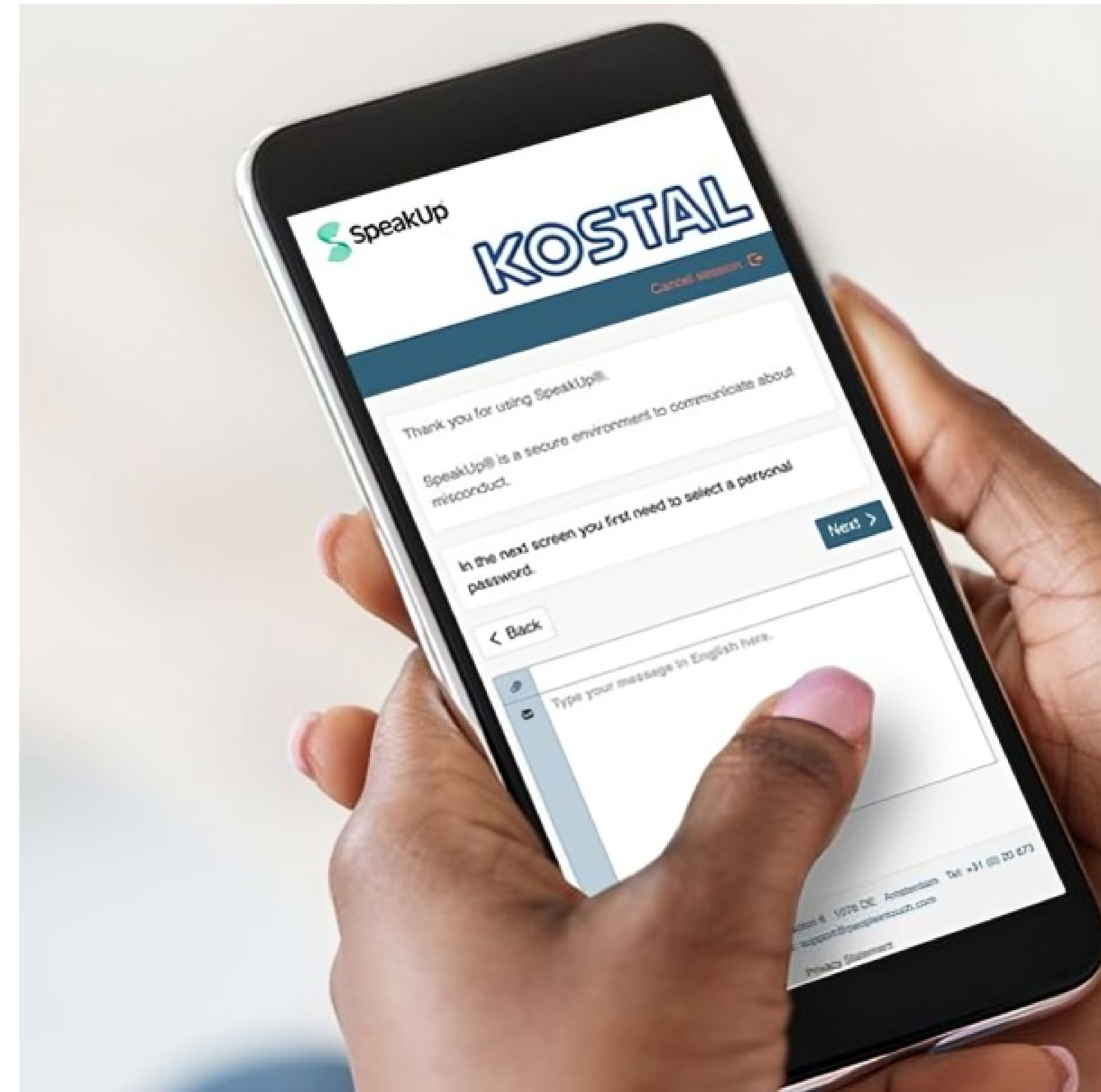
Our success, built over a hundred-year history, rests on a fundamental principle: abiding by the law and acting with integrity. As a family-run business, we understand the importance of preserving, developing, and passing on a legacy to future generations.

Our values guide everything we do, forming the foundation on which all other guidelines are based. Acting ethically and with integrity enables KOSTAL to continue building and maintaining its excellent reputation in the industry, attracting and retaining outstanding colleagues, and meeting the high expectations placed on us by our customers, suppliers, partners, and society.

Sustainable business practices that protect the environment and resources while putting people first are essential to preserving our leg-

acy, perhaps even more so today than in the past. Guided by our corporate values, our Ethics and Compliance Programme drives results through integrity, mutual respect, and accountability, making KOSTAL Group a trusted partner for stakeholders.

We hold ourselves to the highest ethical standards and expect the same from each of our valued stakeholders. To ensure that everyone understands the importance of doing what is right and performing in line with our standards, we have established robust training, education, and communication programmes. Our commitment to compliance defines the way we think and act at KOSTAL Group, shaping our approach to business and reinforcing our dedication to ethical conduct.





What we do for compliance and ethics

Leading by example

Our managers are responsible for preventing violations of legal provisions, adhering to our values within their areas of responsibility, and regularly monitoring compliance. They must ensure that employees are aware of these principles, that the rules are observed, and that any violations are subject to disciplinary action, regardless of the employee's hierarchical position within the Group.

As role models, our leaders inform employees about the regulations outlined in the [Code of Conduct](#), discuss its principles with them, and, together with the Legal and Compliance Department, serve as key points of contact. They also maintain regular dialogue with their teams to reinforce compliance.

We know it is important for all employees to feel empowered to raise issues and concerns in their workplace. Therefore we put special emphasis on communications, promoting compliance services and trainings.

Cooperating with the authorities

We maintain a cooperative relationship with authorities and fully comply with lawful investigations conducted by both KOSTAL Group and external regulatory bodies. The legal rights of individuals, such as the right to testify or refuse to testify and other procedural rights, remain unaffected.

To ensure compliance with the requirements of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG), we maintained an ongoing exchange with the Federal Office for Economic Affairs and Export Control (BAFA) in 2025, in particular to clarify the interpretation of statutory requirements and to support the design, implementation and continuous enhancement of our due diligence processes and measures. Insights gained from this dialogue were incor-

porated into our internal governance arrangements, risk analysis, preventive and, where appropriate, remedial measures. The effectiveness of these measures was reviewed as part of our regular monitoring and control activities.

Business conduct policies

To ensure the highest standards of business conduct, we have implemented several group-wide policies that address the identification, assessment, management, and remediation of material impacts related to business ethics.

Every KOSTAL employee is required to report potential or actual violations of the Code of Conduct, company guidelines, or applicable laws through the appropriate channels. Employees can do this by informing their supervisor, reaching out to the Legal and Compliance

Department, or using the KOSTAL Compliance Hotline, which is operated by an independent external company.

All reports are treated with strict confidentiality, and any form of retaliation or discrimination against employees who report concerns in good faith (and not abusively) is strictly prohibited, even if the report later proves to be unfounded. Every question or concern submitted to the [KOSTAL Compliance Hotline](#) is carefully reviewed and directed to the appropriate team for handling, investigation, and response. Serious and significant violations are immediately escalated to the Compliance Steering Committee.

Our Employee Code of Conduct and Supplier Code of Conduct outline clear expectations for our employees and establish specific requirements for our suppliers. The Compliance Hotline is publicly accessible via internal channels, our website, the Compliance platform, and the Compliance app, which are available worldwide.





Regulatory changes and compliance developments in 2025

In 2025, several new regulations and requirements introduced additional compliance obligations for KOSTAL in the areas of environmental, human rights, and social compliance. Key EU regulations that must now be adhered to include:

- Packaging and Packaging Waste Regulation (PPWR) – EU2025/40
 - AI Act – EU 2024/1689
 - „European Accessibility Act“ – EU 2019/882
 - „Stop-the-clock“ – Richtlinie (EU) 2025/794
- To meet these regulations, KOSTAL has implemented all necessary organisational, procedural and documentation measures to ensure compliance.

In addition, KOSTAL has consistently implemented and further strengthened the core elements of an effective compliance management system. These include clearly defined

governance structures with assigned responsibilities, regular legal and risk assessments (including gap analyses), the implementation and ongoing maintenance of internal policies and control processes, targeted training and awareness measures, robust recordkeeping and documentation, and systematic monitoring, including internal controls and event-driven reviews. The effectiveness of these measures is continuously evaluated and enhanced as part of KOSTAL's continuous improvement process.

KOSTAL is also subject to the German Supply Chain Due Diligence Act (LkSG) and the Corporate Sustainability Due Diligence Directive (CSDDD), which mandate companies to observe human rights and environmental due diligence obligations across their supply chains. Compliance with the LkSG requires:

- Establishing a risk management system and conducting a risk analysis
- Adopting a corporate human rights strategy

- Implementing preventive measures
- Taking immediate remedial action when violations occur
- Establishing a whistleblowing mechanism
- Documenting and reporting due diligence measures



“At KOSTAL, we think long term. It shapes the choices we make and helps us stay a dependable partner—through changing markets, year after year.”

*Carolin Schulte-Kunze,
Legal Counsel, Data Protection Officer, KOSTAL Group*



KOSTAL has established processes and measures to continuously meet the requirements of LkSG and CSDDD, and to ensure compliance with human rights and environmental due diligence obligations. A key element is a regular, ongoing risk analysis and assessment through which we recurrently identify and internally evaluate human rights and environmental risks both in our own business activities and throughout the supply chain—independently of any statutory reporting or disclosure obligations.

Based on these recurring assessments, we implement appropriate and proportionate preventive and remedial measures. The effectiveness of these measures is continuously monitored, reviewed, and documented through regular controls as well as ad hoc and needs-based reviews; the results feed into the next risk assessment and the ongoing further development of our due diligence system.

KOSTAL conducted live (instructor-led) training sessions to support implementation of the above requirements and to strengthen awareness and accountability across relevant functions. These interactive formats allowed an exchange between Sustainability, Compliance, Legal, Procurement and operational teams.

Advancing our compliance journey

Looking ahead to 2026, KOSTAL will focus on expanding awareness of compliance and ESG-related topics, enhancing training programmes, and ensuring that corporate policies remain aligned with emerging regulatory requirements. Strengthening the risk management system will be a key priority to ensure continued compliance with legal, ethical, and ESG standards.

We are committed to continuously evaluating and enhancing our Compliance and Ethics Programme to guarantee that it remains effective and aligned with evolving global standards.

We will further develop and decentralise our compliance organisation by appointing dedicated compliance points of contact at each site and clearly defining their responsibilities and escalation paths. We will establish standardised processes and communication channels to ensure compliance inquiries are handled confidentially, promptly and pragmatically. In addition, we will implement a structured execution and follow-up mechanism for compliance-related tasks at the local level, including documentation, tracking and periodic effectiveness reviews, to ensure consistent, site-wide adherence and continuous improvement.

3,600
employees trained on compliance programmes

48
reported compliance concerns in 2025

MEMBERSHIPS AND ASSOCIATIONS





Sustainability on our supply chain

KOSTAL has a long history of acting responsibly, and we recognise that our suppliers and business partners are integral to our success in this regard.

We are committed to continuing this successful cooperation and are determined to take important steps to achieve carbon neutrality in the entire value chain by 2045.

With over 1,800 direct and 9,400 indirect supplier partners, we prioritise selecting and supporting suppliers to drive positive environmental and social impact. **We aim to lead the way to a sustainable future by establishing clear requirements and offering support to our suppliers.**

Our values of fairness, integrity and respect are integral to our organisational culture and extend to our supplier relationships. We integrate these principles into our supplier development strategies, ensuring that our partners uphold the same high standards of ethical conduct.

We collaborate closely with our key partners to support their sustainability-driven initiatives,

aligning these efforts with our own ambitions. In addition to process-related, economic and technical criteria, our procurement practices prioritise social and environmental aspects, such as human rights, working conditions, anti-corruption measures, legal compliance and environmental protection.

We communicate clear expectations to our suppliers through the [Supply Chain Code of Conduct](#) (SCoC), where we detail our aspirations in the most important sustainability areas. In addition to SCoC requirements, we expect our suppliers to comply with the applicable national and international laws in their activities and to observe the internationally recognised environmental, social, and compliance standards.





KOSTAL developed and distributed the [Sustainability Guideline for Business Partners](#) (SGBP) which became a fixed component of all contracts with all types of business partners of the KOSTAL Group. These sustainability-related expectations are an essential part of KOSTAL's procurement process. KOSTAL depends on its Business Partners' compliance with and enforcement of these requirements to achieve its ambitious sustainability targets. The KOSTAL SGBP bridges the gap between the Supplier Code of Conduct and our internal goals, ambitions and processes.

Effective collaboration with business partners is essential to promote sustainability across the value chain. Since 2024, KOSTAL has established a comprehensive roadmap to increase ESG data reporting among key suppliers and to support collaboration aimed at

improving sustainability performance. We use the EcoVadis Rating Platform to assess our suppliers, supported by a strategically focused management process.

The EcoVadis methodology evaluates 21 ESG criteria, based on internationally recognised standards such as the United Nations Global Compact (UNGC) principles, International Labour Organization (ILO) conventions, Global Reporting Initiative (GRI) standards and ISO 26000, among others.

We have introduced clear internal management processes and ESG criteria to guide this initiative. Our focus is on strengthening supplier engagement and promoting responsible sourcing practices. The supplier engagement roadmap is being implemented progressively, with continuous monitoring to ensure align-

ment with our sustainability ambitions. These requirements have also been integrated into our contractual agreements with suppliers, reinforcing our commitment to sustainable procurement.

In addition, we have implemented a communication plan to enhance collaboration with suppliers. This includes hosting webinar sessions, which were conducted throughout the past year and are also planned for 2026. These initiatives are designed to build understanding and support suppliers in meeting our sustainability expectations.



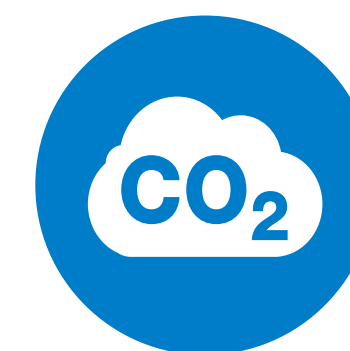
Supply chain ambitions by 2030



100%
of target suppliers are reporting ESG data



100%
of target suppliers use renewable electricity



40%
GHG emission reduction in value chain



What we do for supply chain sustainability

Responsible sourcing

Sustainability-related expectations are firmly embedded as a core element of our internal procurement process, playing a vital role in enforcing our sustainability requirements and supporting the Group's overall sustainability ambitions. We have systematically enhanced our procurement processes to integrate sustainability into daily operations and decision-making, from onboarding new suppliers and awarding new business to regular supplier evaluations. As part of this, the "sustainability score" of each potential supplier is a key criterion in every award decision.

The procurement organisation has worked intensively to gather verifiable data on our suppliers' carbon footprint and to ensure accuracy in our sustainability reporting. Additionally, we have made significant efforts to establish the necessary conditions for collecting comprehensive product carbon footprint data. These actions demonstrate our proactive commit-

ment to transparency and environmental responsibility throughout our supply chain.

Sustainability supply chain risk management

We identify our high-risk partners to prioritise and address the key areas for improvement regarding their sustainability performance. For this purpose, we use EcoVadis, a leading platform that evaluates and rates the sustainability performance of companies across key ESG criteria. EcoVadis ratings serve as a critical prerequisite and input for the KOSTAL supplier risk management process.

Since 2023, over 9,200 partners have been registered in the system. By analysing factors such as country, industry, and procurement risks, along with 360° watch results, high-risk suppliers have been identified and subjected to in-depth risk analysis.





Our supply chain risk management team monitors environmental events such as floods, droughts, and water scarcity. These events can have a substantial impact on our business, potentially resulting in financial losses, strategic challenges across different stages of the value chain. By adopting a proactive approach, we aim to mitigate disruptions and safe guard the long-term resilience and sustainability of our operations.

KOSTAL employs a structured approach to identify and manage **water-related risks** within its supply chain. Suppliers are prioritised if they are based in countries experiencing medium to critical water stress, as reported in the UN's Progress on Level of Water Stress. The United Nations classifies a region as "water-stressed" when it withdraws 25% or more of its renewable freshwater resources. Beyond geographic factors, KOSTAL's screening considers only direct suppliers and assesses whether they operate in industries classified as high-risk by EcoVadis. Finally, the methodology focuses on suppliers of greatest procurement significance, defined by the highest spend scale.

Using these criteria, KOSTAL has identified 15 suppliers as high priority for water management due to potential supply risks and possible social impacts. These suppliers are located in Belgium, India, the Republic of Korea, Morocco and Singapore, all of which show elevated water-stress indicators in the assessment. To address these risks, KOSTAL undertakes ongoing monitoring and control activities. This includes reviewing relevant alerts in Sphere as an early-warning mechanism and assessing the water management status of each country to confirm and contextualise potential risks. In parallel, water-related information is examined through EcoVadis ratings, and additional supplier data is requested where information is insufficient. Water-related requirements are also incorporated into KOSTAL's internal supplier documentation, such as the Sustainability Guidelines, to reinforce expectations and engagement. Supplier status is continuously tracked as part of follow-up activities.



Feedback and complaints on the supply chain

The [KOSTAL Compliance Hotline](#) also serves as a communication channel for feedback and complaints from the supply chain workforce, as detailed in the SCoC and contractual agreements.

Management of conflict minerals

KOSTAL is committed to responsible and ethical mineral sourcing, as outlined in the Responsible Minerals Policy. We have established a comprehensive due diligence framework to identify, assess and mitigate risks related to conflict minerals within our supply chain. This framework aligns with the [OECD Due Diligence Guidance](#) and the [EU Conflict Minerals Regulation](#) and applies not only to 3TG minerals (tin, tantalum, tungsten and gold) but also to selected non-3TG minerals, including cobalt, mica, lithium, nickel, copper and graphite. As part of our risk-based due diligence approach, KOSTAL collects and evaluates supply chain data using the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT). We assess smelters and refiners against responsible sourcing standards, including the Responsible Minerals Initiative (RMI) framework, and take action if any suppliers are linked to high-risk sources.

KOSTAL engages with suppliers to improve transparency and data quality, conducting follow-up where responses are incomplete or delayed. Identified smelters are continuously monitored against updates from the RMI smelter lists and other relevant risk sources. In 2025, KOSTAL continued its established due diligence activities, maintaining supply chain transparency and monitoring processes to ensure responsible sourcing practices across all minerals.

Key principles of the Supply Chain Code of Conduct

KOSTAL is committed to the Paris Agreement and aims to be carbon neutral by 2045. To fulfil our commitments, we outline the following requirements for our suppliers to minimise greenhouse gas emissions, improve air quality, promote the adoption of renewable energy, and uphold social justice within our supply chain.



Greenhouse gas (GHG) emission reduction

■ Emission monitoring and control

Suppliers must implement robust measures to monitor, control, and minimise emissions of air pollutants and energy consumption associated with their operations.

■ Prioritising renewable energy:

Suppliers are encouraged to transition towards renewable energy sources to reduce environmental impact.

■ Addressing carbon neutrality:

To meet our carbon neutrality goal, we must collaborate with our suppliers and consider favouring products that have the lowest environmental impact considering the whole product life-cycle.

Environmental responsibility

We require proactive strategies and actions from our suppliers to minimise their environmental footprint supported by environmental management systems.

■ Resource efficiency:

Suppliers must develop and implement strategies to minimise resource consumption and increase resource efficiency throughout their operations, with a special

focus on raw materials. This includes efficient use of energy, water, and other natural resources.

■ Waste management:

Waste disposal practices must adhere to appropriate waste management systems, focusing on promoting a circular economy. Suppliers are advised to prioritise waste reduction, reuse, recycling, and ensure responsible disposal.

■ Hazardous substances:

Suppliers must ensure the safe handling, storage, and use of hazardous materials in compliance with relevant regulations and industry best practices. It is required to avoid using chemical substances that pose a risk to human health or the environment whenever possible.

Social responsibility

In alignment with our core values and commitment to social sustainability, we require our suppliers to adhere to stringent standards regarding corruption, fair competition, human rights and labour practices.

■ Working conditions:

Supplier partners must have clear policies in place regarding working conditions and human rights. These policies should be

monitored and enforced to ensure compliance with national and international regulations, including health and safety standards, working hours, wage standards, and prohibition of child labour.

■ Anti-bribery and corruption:

Suppliers must maintain a “zero-tolerance” policy towards bribery, corruption, extortion, fraud, and embezzlement. Any form of unethical conduct in business dealings is strictly prohibited.

■ Fair business:

Suppliers are expected to uphold fair conduct towards competitors, customers, and other stakeholders in all business activities. Due diligence, transparency, integrity, and honesty must be paramount in all interactions.

■ Diversity, equity, and inclusion:

Suppliers are encouraged to embrace diversity, equity, and inclusion within their organisational culture. Suppliers are encouraged to foster a culture of mutual respect and equal opportunities without discrimination.

■ Animal welfare:

Suppliers must consider animal welfare in their corporate activities.





Supply Chain sustainability achievements in 2025

■ Scope 3 calculation

Calculating Scope 3 emissions is crucial for understanding the full environmental impact of our supply chain as it includes all indirect emissions that occur on our value chain. It allows us to identify key areas for improvement, and engage with suppliers on sustainability efforts.

We completed the calculation of our Scope 3 emissions, achieving a critical milestone in our strategy to reduce value chain emissions by 40% by 2030 and achieve carbon neutrality by 2045.

- Scope 3 emissions account for approximately 90% of our total emissions.
- Our top 100 suppliers for GHG emissions represent approximately 64% of our total Scope 3.1 emissions and will be pivotal in helping us achieve our targets.

We are in the process of calculating our Scope 3 emissions across all 15 GHG Protocol categories to develop and submit a science-based target to SBTi. Read more on SBTi on [page 55](#).

In 2025, we began collecting actual Corporate Carbon Footprint (CCF) data from suppliers that contribute most to our Scope 3 emissions. A total of 29 of the largest contributors to KOSTAL’s Scope 3 emissions provided meaningful CCF data during the year. Efforts to obtain actual CCF data will be intensified in 2026.

“We believe the fastest route to real climate impact is collaboration: we align procurement with our climate goals and empower our suppliers to cut emissions—so decarbonization becomes a shared pathway to resilience and innovation.”

*Emese Pál-Kovács,
Supply Chain Sustainability Specialist, KOSTAL Group*



■ Product carbon footprint (PCF) information

We initiated the development of a concept for requesting actual PCF data from suppliers for high-impact product groups. We will begin by introducing requests for preliminary PCF data in every request for quotation (RfQ). At the same time, the specification of PCF will become a mandatory element of the International Material Data System (IMDS) record, which all

automotive suppliers must submit to KOSTAL prior to the start of series production.

In 2025, KOSTAL identified 15 suppliers as high priority for water management due to potential supply risks and possible social impacts. These suppliers are located in Belgium, India, the Republic of Korea, Morocco and Singapore, all of which show elevated water-stress indicators in the assessment.



To address these risks, KOSTAL undertakes ongoing monitoring and control activities. This includes reviewing relevant alerts in Sphere as an early-warning mechanism and assessing the water management status of each country to confirm and contextualise potential risks. In parallel, water-related information is examined through EcoVadis ratings, and additional supplier data is requested where information is insufficient. Water-related requirements are also incorporated into KOSTAL's internal supplier documentation, such as the Sustainability Guidelines, to reinforce expectations and engagement. Supplier status is continuously tracked as part of follow-up activities.

In 2025, two rounds of supplier webinars were successfully completed, and two additional waves of EcoVadis supplier invitations were launched. Notably, the share of target suppliers with a scorecard more than doubled, increasing from 13% in 2024 to 29% in 2025. This strong progress demonstrates continued momentum and supports our path towards achieving our 2030 target.

Furthermore, a modern supplier portal is currently under development to strengthen engagement with suppliers and to facilitate webinars, training sessions and broader knowledge sharing and support.

In conclusion, by working closely with our suppliers, we can drive meaningful progress in sustainability, ensuring compliance with our ethical standards, reducing environmental impact, and fostering long-term value across the supply chain. Together, we are committed to achieving our sustainability goals and contributing to a more resilient and responsible future.



Strengthening Sustainable Procurement: 2025 Maturity Review Highlights

As of 1 December 2025, we completed an EcoVadis Sustainable Procurement Maturity Review to assess the maturity of our sustainable procurement programme and to identify priority areas for improvement.

The review resulted in an overall maturity score of 2.25, placing the programme at the “Responsive” level. Governance and resources were identified as the strongest areas, supported by clear sponsorship and an established foundation for further progress.

The review also highlighted the need to further formalise our vision, strategy and goals. This includes stronger alignment with our corporate purpose and long-term carbon neutrality ambition, supported by measurable objectives and key performance indicators (KPIs).

We will build on a solid starting point in policies, processes and reporting by increasing internal integration, strengthening supplier expectations (including requirements related to climate and human rights), and improving the consideration of sustainability in sourcing decisions.

To accelerate progress, we will enhance capability building and continuous improvement through targeted training and structured supplier engagement. These efforts will prioritise high-impact suppliers and be guided by a multi-year roadmap.



FROM AMBITION
TO ACTION



Honours and awards

KOSTAL India receives ACMA recognition for 2024 performance

In 2025, KOSTAL India was recognised by the Automotive Component Manufacturers Association of India (ACMA) for its 2024 achievements across key operational and sustainability priorities. The site received Gold for Export

Performance, Silver for Manufacturing Excellence and Bronze for Safety, reflecting continuous improvement in quality, productivity, and occupational health and safety. These awards underline KOSTAL's commitment to operational excellence and responsible business practices, and they demonstrate how KOSTAL India contributes to strengthening KOSTAL's competitiveness and sustainability performance in the global automotive supply chain.

Double recognition: TÜV NORD confirms KOSTAL's cybersecurity expertise

KOSTAL has received double recognition for its cybersecurity capabilities in accordance with ISO/SAE 21434: KOSTAL Automobil Elektrik has been recertified, while KOSTAL Electro

Mobility Deutschland received the certification for the first time. These distinctions reflect the great commitment and expertise of our employees and underline the importance of international standards within the KOSTAL Group. The certificates were presented by TÜV NORD, which highlighted the steadily growing importance of accredited certifications.





BSFZ certifies KOSTAL Automobil Elektrik's entrepreneurial innovation expertise

In 2025, KOSTAL Automobil Elektrik and KOSTAL Electro Mobility, together with their R&D, HFS and HR functions, submitted over 15 successful project applications under Germany's Research Allowance Act (FZuIG). These applications were primarily related to projects initiated from 2021 onwards. The BSFZ seal is awarded exclusively to companies that have successfully carried out research and development projects, and whose contribution to technological advancement is recognised by the BSFZ. Receiving the seal underscores the outstanding competence and commitment of KOSTAL Automobil Elektrik. The certified projects cover core automotive topics and cross-cutting innovations, including human-machine interfaces, power electronics, general simulation and artificial intelligence/machine learning solutions. KOSTAL is committed to continuing to develop innovative solutions to make mobility more attractive and efficient, and to play an important role in ensuring the future sustainability of mobility.

KOSTAL PLENTICORE G3 recognised with multiple international design awards

KOSTAL PLENTICORE G3 inverter, developed and manufactured at the Hagen (Germany) site, received further external recognition for its product design and sustainability-oriented innovation, including the European Product Design Award and the Red Dot Award: Product Design 2025. The international juries highlighted the inverter's design concept focused on scalability, resource conservation and user convenience, underscoring KOSTAL's commitment to delivering high-quality, future-ready energy solutions.

A key feature of the PLENTICORE G3 is its modular product architecture, which allows power and functional upgrades both during installation and at a later stage, supporting flexible adaptation to evolving customer needs while helping to reduce additional hardware requirements, material use and installation effort.

The inverter can be used as a solar, hybrid or battery inverter, with performance classes from 4 to 20 kW for residential and commercial applications; the backup function and optional DC surge protection were also cited as important aspects. In addition, the PLENTICORE G3 was also awarded the German Design Award 2025 and the GOOD DESIGN® Award, reinforcing the role of design excellence in KOSTAL's approach to sustainable product development.



BSFZ certifies
KOSTAL Automobil Elektrik's
entrepreneurial
innovation expertise

BSFZ • Beschäftigungswettbewerb Forschungsinstitute

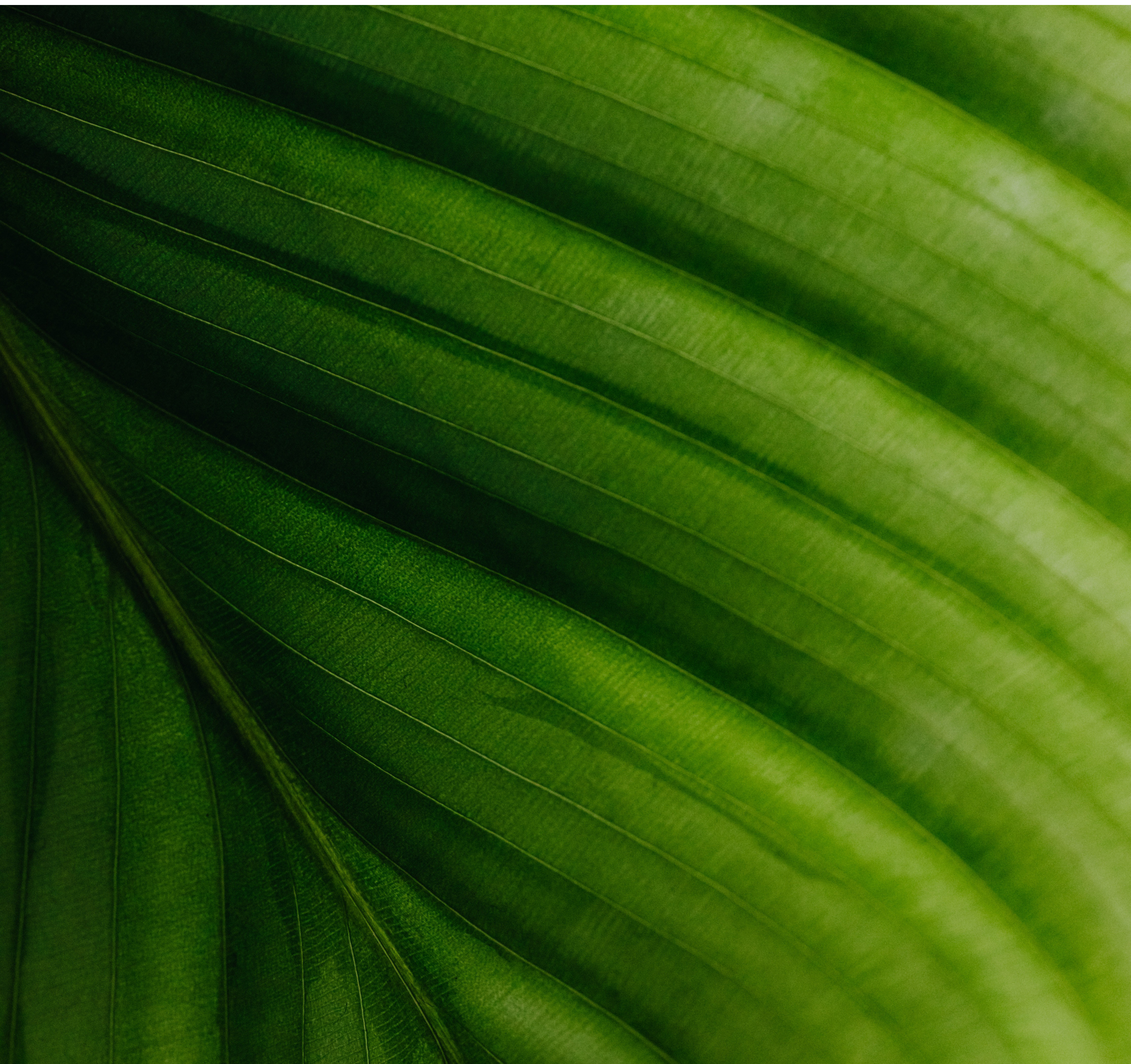


Environment

Environmental sustainability	45
Decarbonisation	51
Resource efficiency	58
Energy consumption	60
Waste	66
Water	71
Sustainable product design	75



Environmental sustainability



Given the scale and urgency of climate change, it is crucial to implement large-scale environmental measures. Climate change has severe consequences for society as a whole and the quality of human life. As a global manufacturing company with a substantial supplier base and millions of customers using our products, we have a significant impact on the environment.

We are taking strategic steps to protect life on Earth by minimising our emissions and improving our resource efficiency, and we expect our suppliers to share the same vision. We prioritise sustainability at every stage of the product lifecycle: from design and manufacturing to resource and energy selection, waste and emissions management, and supplier partnerships.

Furthermore, we support local initiatives aimed at restoring or enhancing the surrounding environment. We join global initiatives in environmental protection to be part of the progressive and innovative professional communities. Looking at global sustainable development, being a leading supplier of automotive battery chargers, solar inverters, and frequency converters, our company plays a key role in the transition to electromobility and renewable energy.



What we do for environmental sustainability

Advancing product sustainability

Develop innovative products with sustainability at the core, prioritising the use of sustainable materials and manufacturing processes to minimise environmental impact. Read more on product sustainability on [page 75](#).

Implementing significant measures to reduce our emissions

- Work towards carbon emission reduction with the goal of becoming a Carbon Neutral company by 2045.
- Reduce our energy consumption and fossil fuel intake.
- Increase the use of renewable electricity at our operations and in our supply chain.
- Continuously improve our resource efficiency.
- Work towards a circular economy by minimising waste and closing the loop.

Forming partnerships with communities to enhance sustainability efforts

- We leverage site-level networks, called the Sustainability Champions Community, and functional teams, to collect environmental data to monitor our ESG performance. Furthermore, by sharing expertise and best practices, initiate collaborative actions to drive tangible sustainability results. Local environmental projects are driven collaboratively by Sustainability Champions, combining both bottom-up and top-down approaches.
- We partner with our suppliers on our sustainability ambitions. Read more on [page 33](#).

Our **environmental strategy**, aligned with the results of the materiality assessment, focuses on decarbonisation, resource efficiency, and sustainability in product design.

We have established Key Performance Indicators (KPIs) to effectively manage our sustainability performance and disclose relevant metrics, including energy consumption, CO₂eq emissions, water usage, total waste gener-

ation, and waste disposal performance. In alignment with the ESRS requirements, we have conducted a thorough analysis and are actively addressing any gaps. To further enhance data quality, decision-making, and overall efficiency, we use an ESG data management tool, enabling precise tracking and reporting of our sustainability efforts. Read more on [page 11](#).





What we do for environmental compliance

↘ **36.7%** reduction in GHG emission intensity (Scope 1, 2) compared to 2022, which supports our ambition of Carbon Neutrality by 2045.

↘ **5.1%** reduction in energy intensity compared to 2022.

↗ **10.9%** higher waste intensity compared to 2022.

↘ **7.1%** reduction in water intensity compared to 2022.

- Operating our business in compliance with all applicable laws and regulations. Read more on [page 29](#).
- Our [Environmental Policy](#) guides our commitment to sustainability and responsible environmental practices.
- We follow key guidelines for environmental reporting, including the Defra Environmental Reporting Guidelines (2019), IEA CO₂ Emissions from Fuel Combustion, and the Greenhouse Gas Protocol standards. We are actively preparing to ensure compliance with the CSRD directive.
- Implementing processes to assess our environmental impacts across our value chain, define clear targets, strategies and initiatives to achieve our ambitions.
- Integrating environmental aspects and risks in our supplier management processes and supplier qualification strategies.
- Implementing internationally recognised environmental management systems and certify our manufacturing operations.
- We collect and report internally about ESG data to monitor our performance.





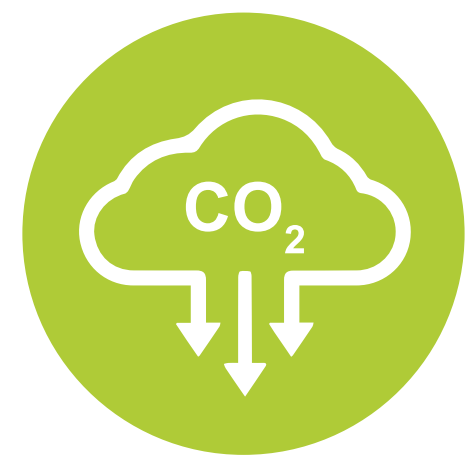
Environmental performance achievements in 2025

- 36.7% reduction in GHG emission intensity (Scope 1 and 2) compared to 2022, which supports our ambition of Carbon Neutrality by 2045.
- 5.1% reduction in energy intensity and a 0.2% decrease in energy consumption compared to 2022.

- 10.9% higher waste intensity compared to 2022.
- 7.1% reduction in water intensity compared to 2022.
- All our production locations within KAE, KKS, KI, and Compleo are 100% certified according to ISO 14001.
- We continuously focus on innovation for more environmentally efficient products. Read the 2025 results on page 75.

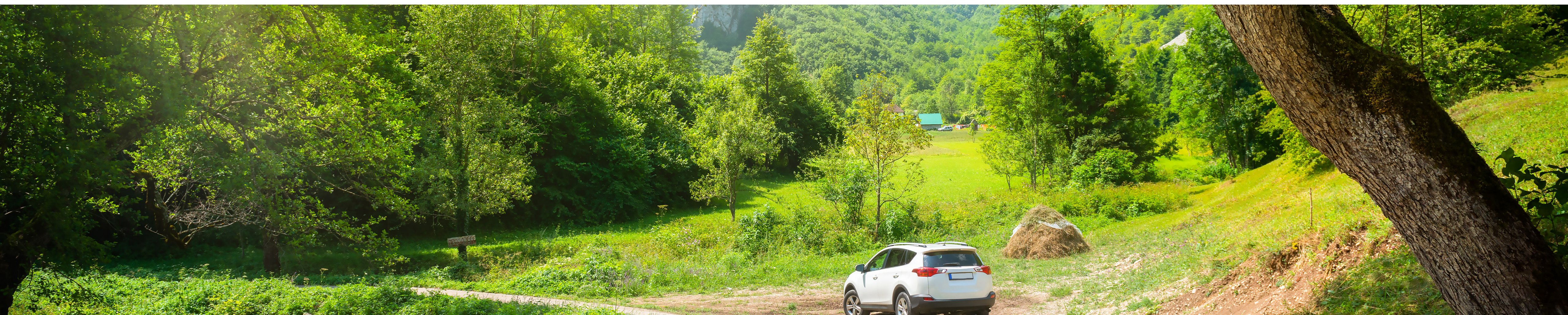
We continued the cooperation with the site-level resource group, the **Sustainability Champions**, to collect data, share good practices, and foster a diverse, inclusive working environment.

Local responsibilities are strengthened through a two-step validation process for sustainability data reporting, assigning dedicated contributors and validators to track progress and ensure accurate reporting. Our ESG data management system, powered by Enablon software, ensures data transparency, traceability, and compliance with audit requirements, supporting our monthly, quarterly and annual data collection processes. Read more about the software on [page 11](#).



36.7%

reduction in GHG emission intensity in 2025 compared to baseline





“This iterative development reflects our understanding that when risks become responsibilities, structured action and continuous learning are essential.”

*Julian Paul Lewis,
Senior manager, Corporate planning*



In 2025, we continued to **enhance our transparency and accountability** and established a clearer sustainability metrics reporting and data collection process within our organisation. We implemented an internal audit framework for sustainability reporting that enables in-depth review and verification of the data.

In 2025, we conducted our first Group-wide air emissions data collection campaign covering the 2024 reporting year. As part of our commitment to sustainability and compliance with evolving reporting requirements, we introduced a structured process to gather accurate, complete and auditable air emissions data from all relevant facilities, and we found VOC emissions of 3,034 kg and Particulate Matter emissions of 133.38 kg across KOSTAL sites.

KOSTAL is committed to upholding a high standard of environmental transparency, which is why we are disclosing our environmental impact through the CDP. In 2025, KOSTAL Group completed CDP’s Climate Change and Water Security questionnaires among more than 22,000 companies. Reflecting our continued commitment to climate transparency and environmental responsibility, KOSTAL

achieved a “B” score in the most recent CDP assessment.

We are advancing our collaboration with suppliers to set clear sustainability expectations. In 2024, we updated our Supply Chain Code of Conduct to include specific environmental and social responsibilities. In 2025, we began collecting Corporate Carbon Footprint (CCF) data from key suppliers and started developing a process to gather Product Carbon Footprint (PCF) data. Additionally, we prioritised 15 suppliers for water management due to supply risks and social impacts, and continued to hold supplier webinars.

The PCF calculation promotes transparency and helps customers manage carbon emissions. KOSTAL is committed to this practice and, in 2024, explored options for acquiring LCA software to calculate product carbon footprints. Read about PCF on [page 77](#).



Strengthening environmental risk management through

The KOSTAL Group's Global Risk Management Tool, first introduced in the 2024 Sustainability Report, was further developed in 2025 and presented in the context of the environmental audit.

External feedback and internal input from our local experts were systematically incorporated to adapt and optimise the tool. The reviewers particularly emphasised the value of the tool's structured risk tracking, which enables risks to be monitored over time and supports informed decision-making at both Group and entity levels.

The tool continues to be based on a PESTEL framework, analysing Political, Economic, Social, Technological, Environmental and Legal factors that influence our strategies and operations. By integrating feedback from daily practice and review processes, the user-friendly dashboard was further refined to provide a clearer overview of environmental and sustainability-related risks. This enhanced functionality strengthens our ability to identify, assess and track potential impacts such as climate change-related supply chain disruptions or regulatory developments, and to respond proactively.

Through the continuous optimisation of the Global Risk Management Tool, KOSTAL reinforces its resilience to global challenges while supporting environmental protection, responsible resource management, emission reduction and the transition towards renewable energy. In doing so, we ensure the long-term sustainability of our operations and contribute to maintaining the ecological balance for future generations.



FROM AMBITION
TO ACTION

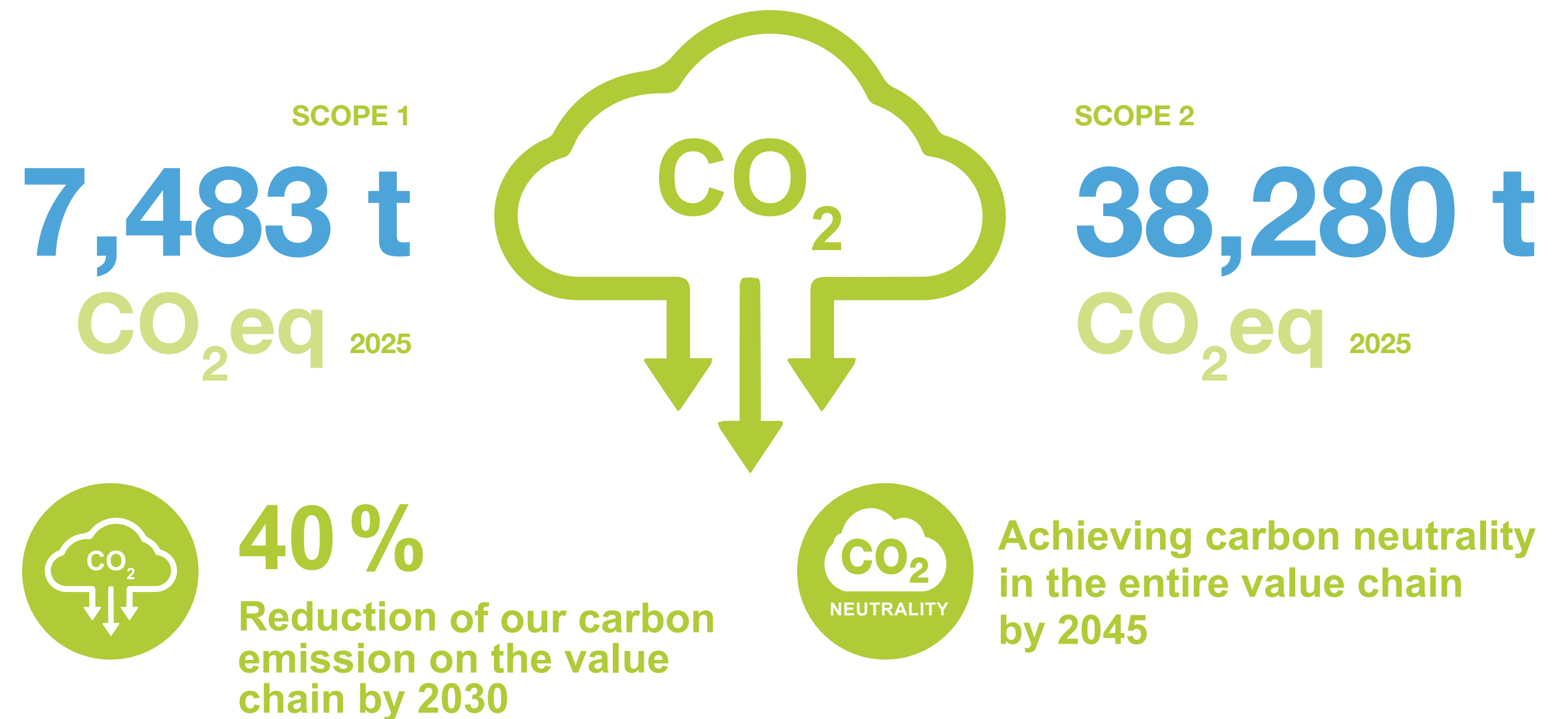


Decarbonisation

For most manufacturing companies in the industry, decarbonisation stands on the top of environmental ambitions, because greenhouse gas emissions, especially CO₂ which is closely linked to accelerate climate change.

Our Group operates globally, and our primary focus is on reducing the carbon footprint of our products, factories, offices and partnering with suppliers who make strategic steps to reduce their carbon emissions. The ultimate goal for KOSTAL is to become carbon neutral by 2045. We have developed climate targets in line with current climate science and are preparing them for external validation.

The key to addressing decarbonisation is to measure our impact: set KPIs to identify the composition of our carbon footprint and the areas of major emissions. In 2022, with the assistance of an external consultancy, we have identified our Scope 1 and Scope 2 GHG emissions, in line with the requirements of the Greenhouse Gas Emission Protocol, which will henceforth be referred to as the base year.





What we do to reduce our carbon emissions

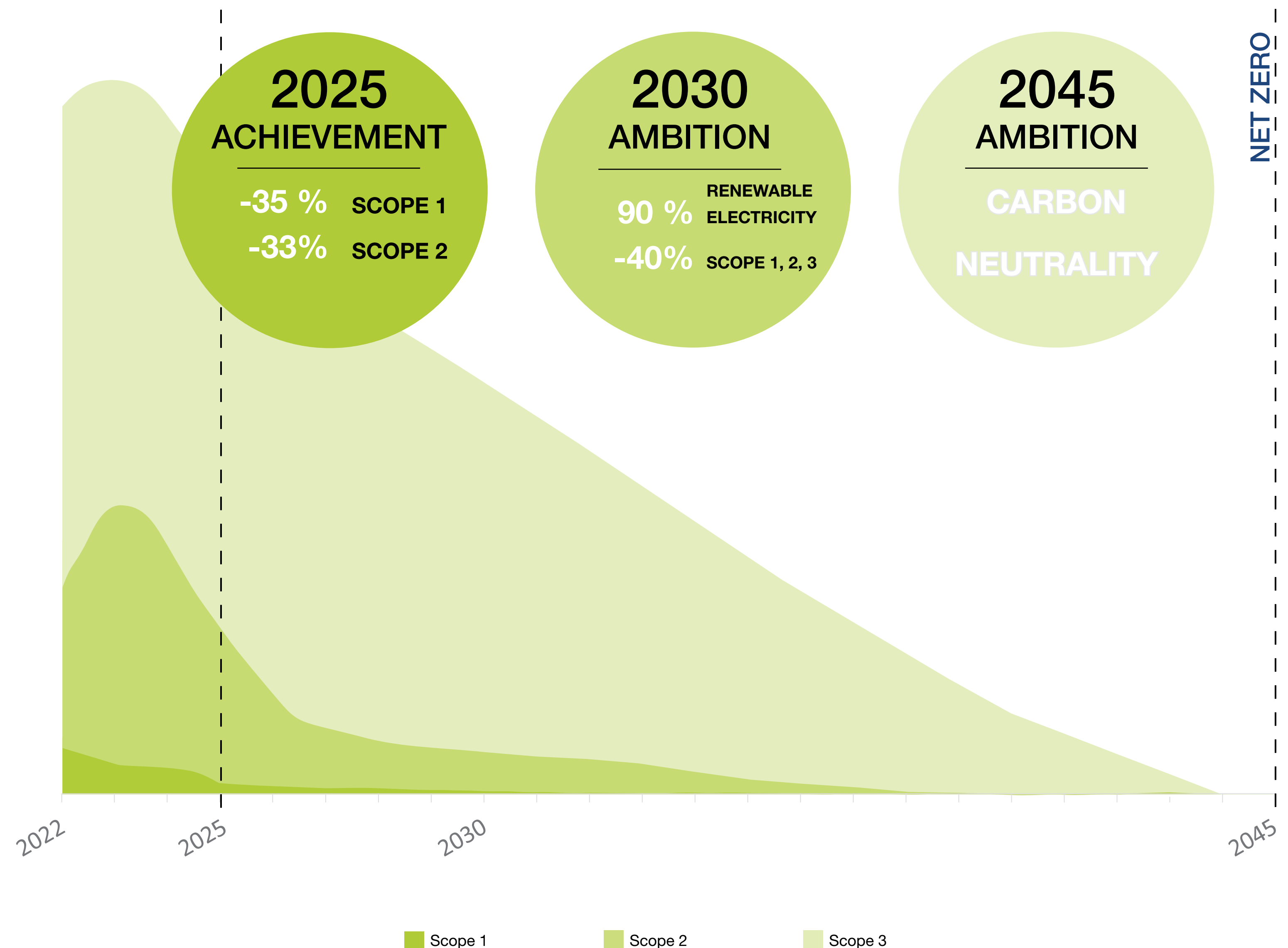
Optimising energy consumption for sustainable manufacturing

Based on our Scope 1 and Scope 2 GHG emissions calculations, we have identified that optimised energy consumption—particularly electricity usage at our manufacturing sites—is a key factor in sustainable manufacturing. With this insight, we prioritise efforts to generate and source renewable energy, which not only helps us reduce emissions but also lowers our reliance on fossil-based energy, thereby strengthening resilience across our operations.

Driving the adoption of renewable energy across our sites

We effectively incorporate renewable energy into our operations, making significant strides in decarbonisation. We evaluate on-site power generation possibilities, define substitution strategies to reduce fossil fuel intake, and analyse financial feasibility.

Our carbon reduction journey





We facilitate our factories in adopting different renewable electricity options to enhance their sustainable practices. On-site generation allows us to directly install and operate renewable production facilities, while on-site Power Purchase Agreements (PPAs) let us partner with energy operators to manage these installations for us and our tenants. For factories where on-site solutions are not feasible, off-site PPAs allow us to purchase green energy produced at external facilities. Additionally, green tariffs enable us to subscribe to renewable electricity without being tied to a specific location. Lastly, purchasing Renewable Energy Certificates (RECs) is a viable decarbonisation option when other methods are not possible.

Changing our fleet to emission-free

Transitioning our fleet to emission-free vehicles will propel KOSTAL towards its goal of carbon neutrality. Our objective is to ensure that all newly acquired company vehicles are emission-free by 2030.

Partnering with our suppliers for GHG reduction

In 2026, we will move forward with understanding our supply chain impacts and supporting and encouraging existing and new supplier partners to take huge leaps on their sustainability journey.

We engage in regular supplier dialogues, sharing our ESG targets and ambitions with key suppliers. This ensures they report KOSTAL-specific GHG emissions and ESG performance, while also encouraging them to use green electricity.

Read about supply chain sustainability on [page 33](#).

“What gets measured gets improved – especially in sustainability. Robust measurement and transparent reporting enable us to transform sustainability ambitions into accountable actions and measurable outcomes.”

Réka Szűcs

Senior Sustainability Analyst, KOSTAL Group



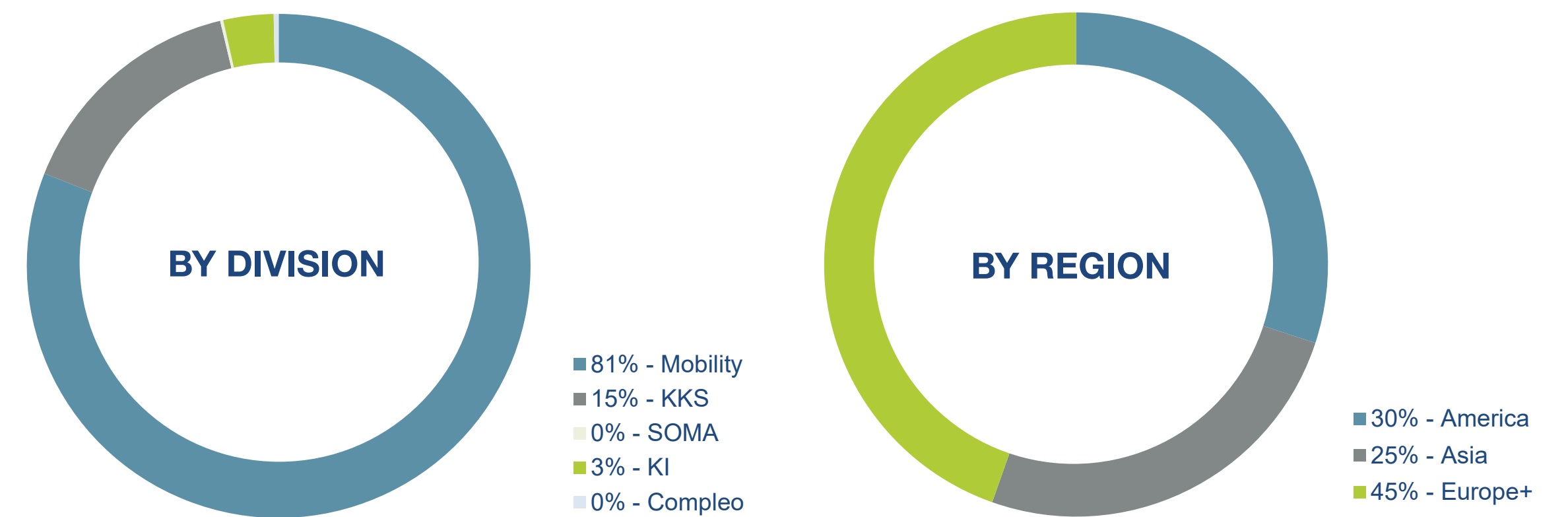


Decarbonisation performance achievements in 2025

- 36.7% reduction in GHG emission intensity (Scope 1 and 2) compared to 2022, which supports our ambition of carbon neutrality by 2045. The annual reduction plan for 2025 was 2.5%.
- 52.1% renewable electricity share, supporting our ambition to reach 90% renewable electricity by 2030.
- Investigating opportunities for renewable electricity sourcing within the geographic market boundaries where our sites are operating. While we have made significant strides, the urgency of the climate crisis compels us to move faster. In 2026, the goal is to continue the progress in reducing our carbon emissions.

An external provider conducted the calculations of our Scope 3 emission using secondary data on emission factors for various material groups, resulting in an estimate that offers valuable insight into our indirect environmental and social impacts. This analysis helped us identify key materials and suppliers, develop a detailed roadmap to provide a robust foundation for our decarbonisation strategy and future target-setting (including alignment with the Science Based Targets initiative, SBTi).

TOTAL SCOPE 1 AND 2 EMISSIONS 2025



“At KOBRA, our ESG achievements in 2025 demonstrate that sustainability is not just a goal, but a mindset. Every improvement we make today contributes to future generations and the longevity of KOSTAL’s business. We’re proud of the progress—and committed to going further.”

*Matheus Labadeça Fernandes,
Environmental Specialist at KOSTAL Brazil
KOSTAL Brazil, winner of the Sustainability Impact Award 2025, 'Site with the strongest annual sustainability progress'.*



Scope 3 categories were assessed during 2025. As a first step, we reviewed our upstream Scope 3 emissions, where we can exert greater influence through procurement and logistics decisions. The following categories were included:

- 3.1 Purchased goods and raw materials
- 3.2 Capital goods
- 3.3 Fuel- and energy-related activities (not included in Scope 1 or 2)
- 3.4 Upstream transportation and distribution
- 3.5 Waste generated in operations (wastewater not included due to data availability)
- 3.6 Business travel
- 3.7 Employee commuting

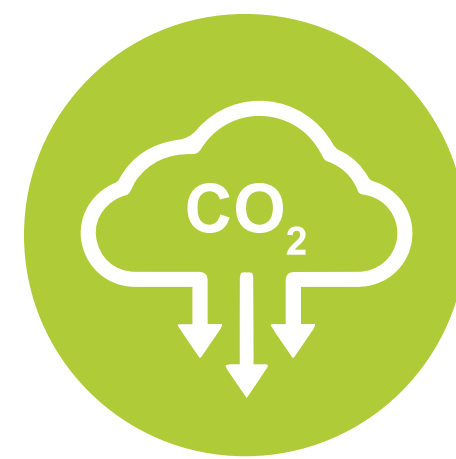
Several Scope 3 categories were not included at this stage due to data gaps or irrelevance for the current focus (e.g., purchased services and water, wastewater, and downstream categories such as delivery/use/end-of-life of sold products).

The calculation follows the Greenhouse Gas Protocol. Due to current data availability, key categories were primarily estimated using spend-based methods, combining KOSTAL activity data (e.g., purchasing and service spend) with emission factors sourced from internationally recognised databases (including Ecoinvent, DBEIS, and the International Energy Agency).

As a result, uncertainty is higher in some categories, and results may evolve as more primary data becomes available. In 2026, we plan to include volume-based methodology in our calculations.

We started the process to set and submit our corporate science-based net-zero targets for validation through the independent **Science Based Targets Initiative (SBTi)**, aligning our corporate emissions reduction targets with the goal of the Paris Agreement to limit global warming rise to 1.5°C above pre-industrial levels. By submitting this commitment letter, we pledge to submit our net-zero targets to the SBTi for validation within 24 months.

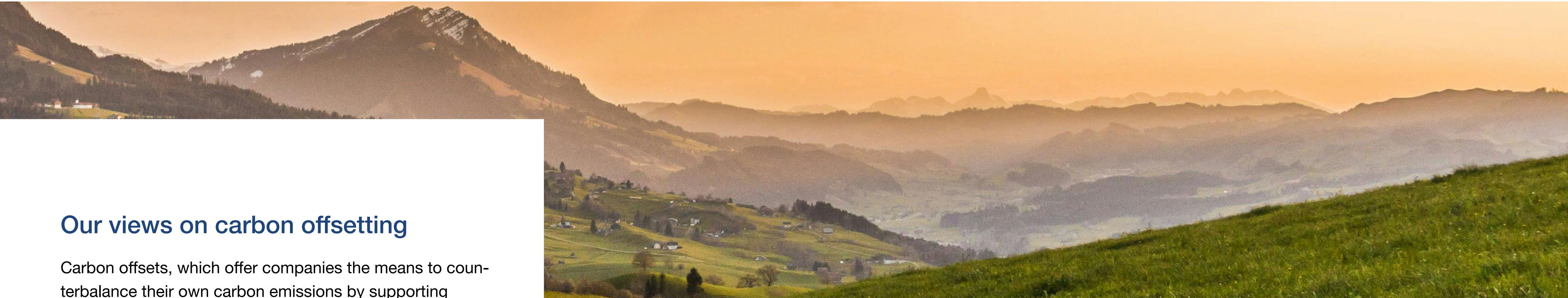
While we have made significant strides, the urgency of the climate crisis pushes us to accelerate our efforts. In 2026, the goal is to continue the progress in reducing our carbon emissions, also focusing on customers' specific needs.



Baseline Scope 3 upstream emissions

1,335,935 t
of CO₂eq





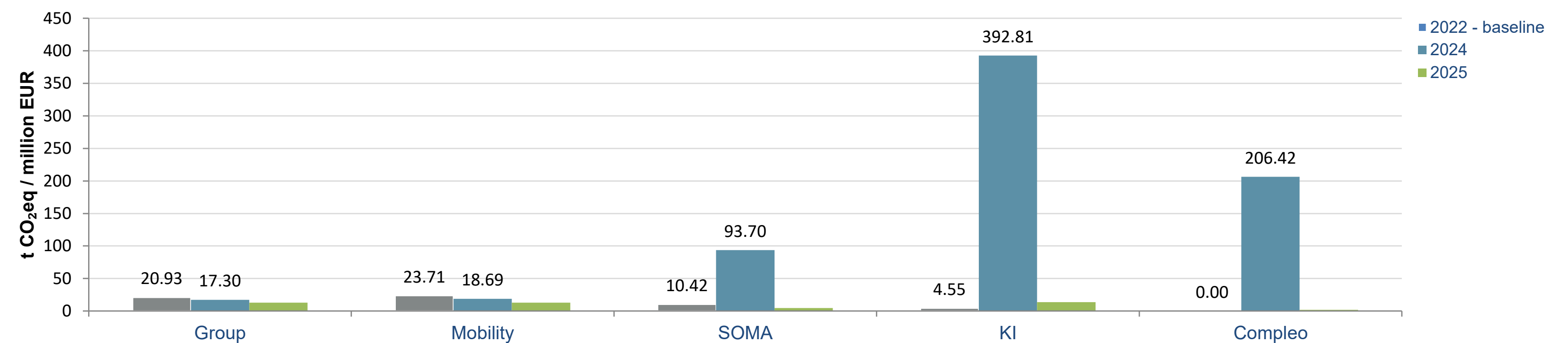
Our views on carbon offsetting

Carbon offsets, which offer companies the means to counterbalance their own carbon emissions by supporting projects that reduce or prevent emissions elsewhere, are experiencing rapid advancements in both technology and regulation. Several companies have already been actively using carbon offsetting to achieve their carbon emission reduction targets.

Our climate strategy prioritises the reduction of emissions in line with the SBTi requirements, while we consider carbon offsetting as a measure of last resort in our journey towards climate neutrality.

Initially, we prioritise enhancing the efficiency of our processes and technologies to reduce energy consumption. Subsequently, we strive to meet our energy requirements through renewable sources.

CARBON INTENSITY BY DIVISION [t CO₂eq/million EUR]





Scaling On-site Photovoltaics - A Step Towards Decarbonisation



As part of our ongoing commitment to sustainable manufacturing, we continued to expand on-site photovoltaic (PV) solutions across our operations in 2025. Generating renewable electricity directly at our sites is key to reducing Scope 2 emissions and progressing towards our ambition of covering at least 90% of our global manufacturing sites' total electricity usage with renewable sources by 2030, while reducing our dependency on RECs and other external sources.

In 2025, we prepared the implementation of an on-site PV project at our Bulgaria site via a service model. In this arrangement, a supplier installs and operates the PV system on our roof, and KOSTAL purchases the electricity generated, enabling on-site renewable power while limiting the operational complexity of construction and maintenance.

The planned system comprises a 2 MW PV plant combined with a 1 MWh battery. It is expected to produce 2,600 MWh per year, covering approximately 56% of the site's annual electricity consumption. As energy production is planned to start in Q2 2026, this will be reflected in our renewable electricity and emissions KPIs after commissioning.



FROM AMBITION
TO ACTION



Resource efficiency

The expanding global population places an increasing demand on the planet's natural resources at an unsustainable pace, leading to resource scarcities, climate change, and environmental degradation. Achieving a balance between resource use and economic growth is a key challenge for business, politics, and society. Therefore, resource efficiency is a cornerstone of our Sustainability Strategy.

We promote resource efficiency throughout the entire value chain of our operation. Resource efficiency for us, means using the limited resources of our nature in a responsible manner while minimising our impact on the environment. Using the resources wisely will enable us to create more value with less input.

At KOSTAL Group, we have implemented a strategy to achieve resource-efficient production processes across all our manufacturing locations, focusing on energy efficiency, water reduction, and material optimisation in both our operations and supply chain as part of our broader sustainability and operational efficiency efforts.

KOSTAL Group expects financial benefits from resource efficiency improvements, impacting performance in both the short and mid-term. In the short term, optimising energy, water, and material use will reduce costs, stabilise expenses, and improve cash flow. In the mid-term, continued efficiencies will drive savings, enhance profitability, and boost competitiveness by meeting customer sustainability demands. These efforts may also open opportunities for green financing, further strengthening KOSTAL's financial position and growth.





Update on Enhancing Resource Efficiency Across KOSTAL Sites

At KOSTAL, optimising energy usage and minimising resource waste are key pillars of our Sustainability Strategy. Several of our sites have implemented innovative projects in 2024 to improve resource efficiency and reduce environmental impact.

KOSTAL China is strengthening resource-efficient operations by reducing reliance on externally sourced electricity and increasing the use of renewable power across its manufacturing network. In line with the Group's green factory ambitions, targeting 90% green energy usage by 2030, KOSTAL China expanded onsite photovoltaic (PV) generation following the first rooftop installation at Fangtai I (2016), with further systems commissioned at KOCHSH (SOP 2024) and Fangtai III (SOP 2025). These PV installations increase the share of self-generated renewable electricity and support a more efficient, lower-impact energy supply for production. KOCHSH operates 1,000 kWp, generating around 1.3 million kWh per year (approximately 15% of the site's electricity demand), while Fangtai III operates 1,933 kWp, generating around 2.2 million kWh per year (approximately 11% of total consumption). Through the combination of expanded PV capacity and renewable electricity sourcing, KOS-

TAL China achieved 100% renewable electricity across four factories by 2025, and the share of PV-generated electricity will continue to increase through further capacity expansion.

At KOSTAL Brazil, the Air Leak Hunting project has been running since 2024 for detecting and repairing compressed air leaks within factory facilities. Compressed air is a vital but often overlooked energy source, and undetected leaks can lead to significant inefficiencies. By proactively identifying and maintaining leak points, the site has optimised energy consumption and minimised waste.

At KOSTAL Hagen, the team has taken a major step toward sustainability by producing its own nitrogen using green electricity from on-site photovoltaic (PV) systems. This shift has completely eliminated the need for liquid nitrogen transport, significantly reducing associated CO₂ emissions. Compressed air, the base energy for nitrogen generation, continues to be a special focus across KOSTAL, as it is critical to the efficiency of electronics manufacturing plants. Meanwhile, at KOBRA, energy monitoring is now a daily practice, including real-time measurement of compressed

air consumption. This data is compared with business data and shift patterns to detect abnormalities and create maintenance tasks. As part of broader renovation efforts across KOSTAL sites, energy-efficient air compressors have been installed, replacing outdated systems. The waste heat from these compressors is now repurposed to heat the building, reducing reliance on heating oil and further lowering CO₂ emissions.

These initiatives not only drive operational cost savings but also align with KOSTAL's long-term resource efficiency goals.



FROM AMBITION
TO ACTION



Energy consumption

As we strive for carbon neutrality, we acknowledge the environmental impact of our operations, particularly the greenhouse gas emissions generated by the energy required to run our facilities.

Although our business operations are not necessarily energy intensive, we understand the role we play in utilising finite resources, which are essential to our operations and recognise our responsibility of limiting the environmental impact of our activities.

Energy consumption refers to the total amount of energy used across our operations, including electricity, heat, and fuel, to power our production processes, facilities, and other business activities. We actively monitor and manage our energy usage to optimise efficiency and reduce our environmental impact.

To reduce our impact on climate change, we focus on optimising the energy use of our operational activities, which will improve our energy efficiency and may result in savings in overall energy costs. While we focus our operation efforts, we continue to see growth in production volumes.

To improve energy efficiency throughout the organisation, we set interim goals to reduce energy consumption. Our objective is to decrease the amount of energy used relative to our revenue by 25% by 2030. To achieve this ambitious target, we need to improve in reducing our energy intensity by 3% year on year by 2030.





What we do to reduce our energy consumption

Setting energy consumption targets

Developed interim energy consumption reduction targets aiming to reduce our energy intensity. Our objective is to decrease the amount of energy used relative to our revenue by 25% by 2030. To achieve this ambitious target, we need to improve in reducing our energy intensity by 3% year on year by 2030.

System efficiency enhancement, requirements

Enhancing system efficiency by identifying and implementing opportunities to reduce energy consumption. For example investing in advanced manufacturing technologies and energy-efficient machinery. To accelerate the reduction of energy consumption, we are identifying and implementing energy efficiency requirements and performance criteria for production technology or machinery and buildings.

Energy monitoring and automation

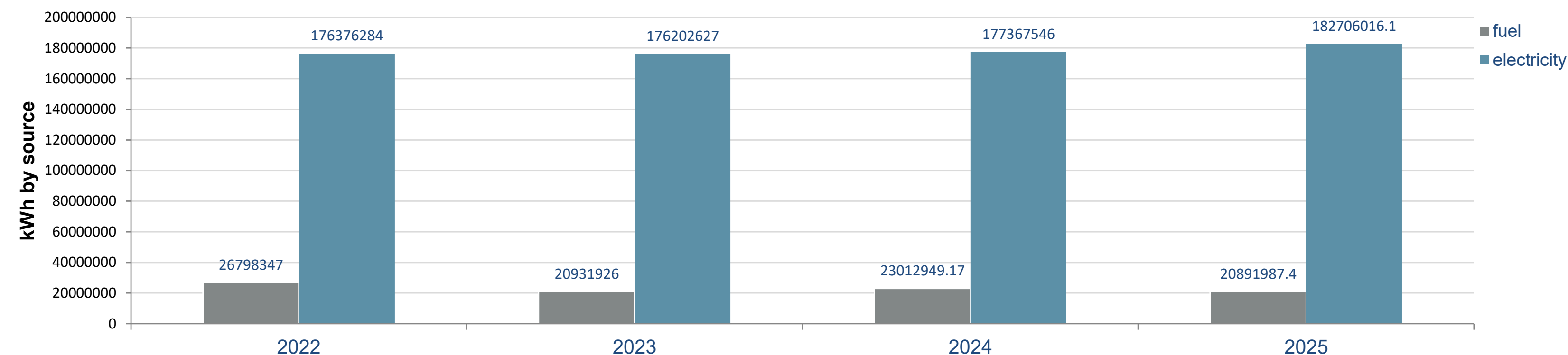
Implementing energy consumption monitoring and building automation systems at our manufacturing sites.

Energy efficiency knowledge sharing

Benefiting from synergies by sharing and implementing energy efficiency best business practices within the organisation. The global Energy Community was founded in 2024 led by the facility sustainability responsible of KOSTAL Automobil Elektrik (KAE) and the sustainability representative of our Chinese sites. The aim of the community is to share knowledge and collaborate on energy reduction projects.

In the **Energy Community**, global teams collaborate to enhance energy efficiency, reduce costs and drive sustainability across all sites. By sharing best practices and implementing innovative solutions, the Energy Community continuously works toward optimising energy consumption.

TOTAL ENERGY CONSUMPTION BY SOURCE [kWh]





Energy efficiency achievements in 2025

- By leveraging standardised sustainability metrics through Enablon software, we ensure a streamlined reporting and data collection process, allowing us to stay aligned with our goals, effectively measure energy efficiency, and monitor progress regularly.
- In 2025, we reduced our energy intensity by 5.1% compared to 2022 baseline, lowering it to 59 mWh/ million EUR revenue from 62.1 mWh/ million EUR in 2022.
- By mobilising our operational energy management and reduction strategy, various energy reduction projects have been implemented globally.

■ **Energy monitoring:** The KOSTAL Group is taking a systematic approach to energy management by implementing facility-specific energy management programs at all global manufacturing locations. These programs are supported by advanced energy monitoring and management tools, such as Econ Solutions, Janitza, or Schneider. The global rollout has already begun, with new sites becoming operational in 2025. Recent additions include facilities in Abbeyfeale and Mallow (Ireland) and Mexico. At KOMAK, the Energy Management System (EMS) is fully operational, monitoring electricity, compressed air, and nitrogen consumption across various levels—from the plant to individual production lines and groups of mould machines. This granular data has led to significant improvements, particularly in the mould shop, where efforts to eliminate leaks and adjust processes have resulted in the annual saving of 1,400,000 m³ of compressed air, corresponding to a reduction of approximately 154 MWh of electricity.



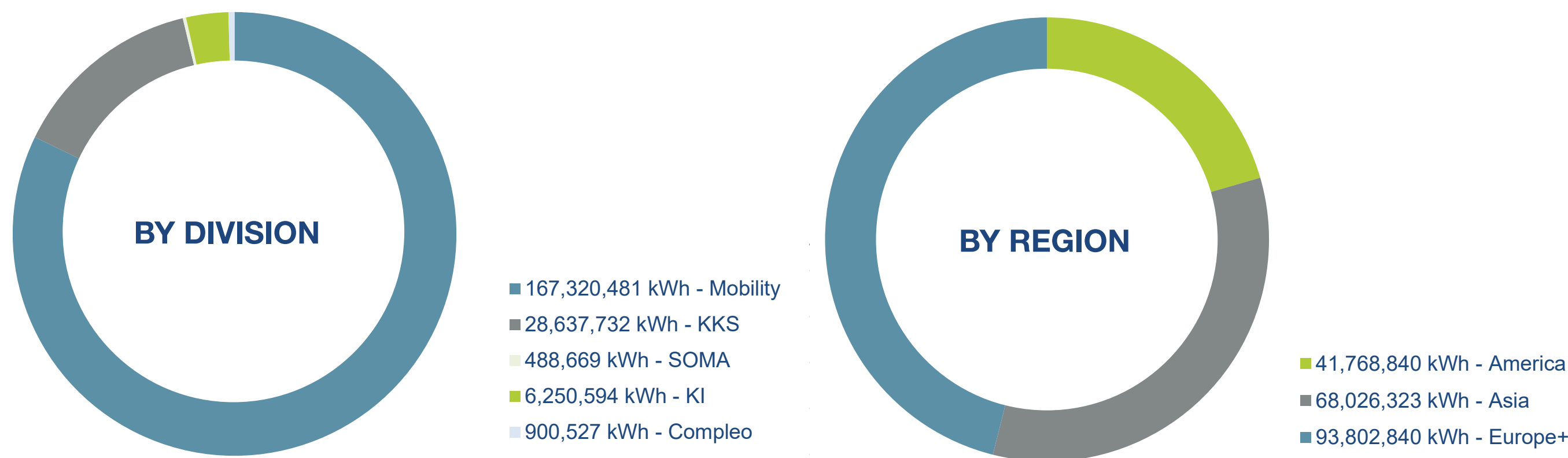
5.1%

energy intensity reduction

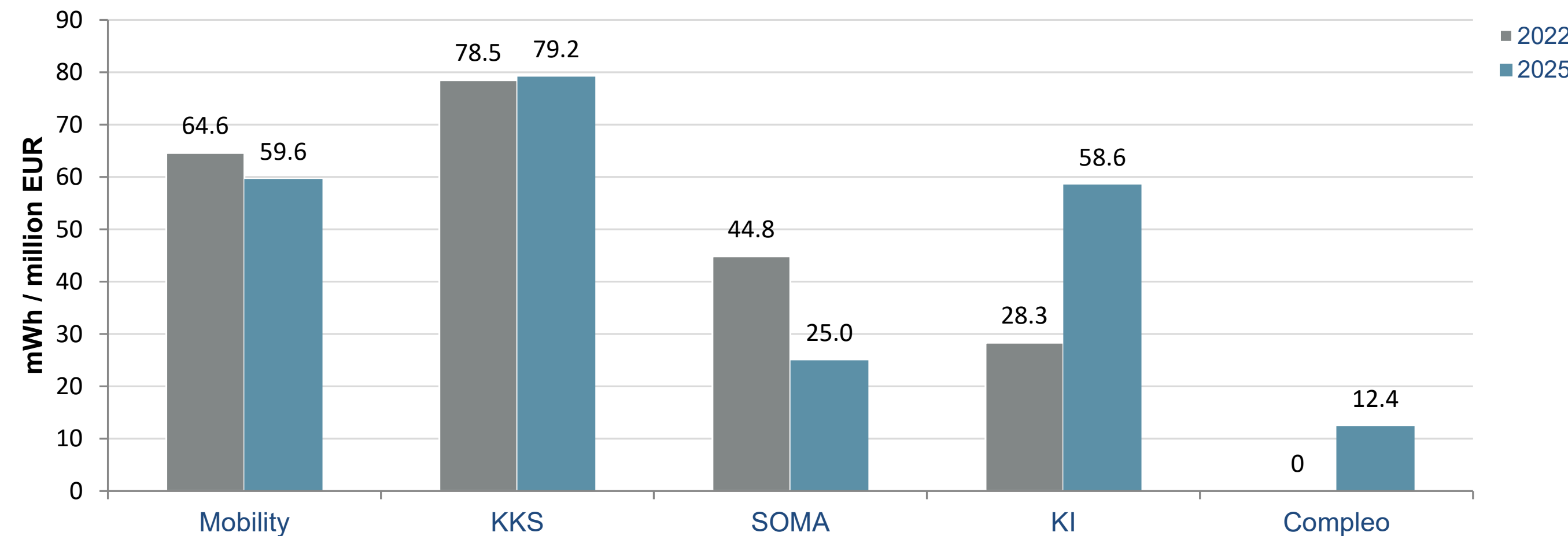




TOTAL ENERGY CONSUMPTION 2025



ENERGY INTENSITY BY DIVISION [MWh/million EUR]



“In manufacturing, energy consumption intersects efficiency and environmental responsibility—a challenge turned opportunity. **KOSTAL China integrates PPA contracts, IREC certifications, solar PV systems, and EMS platforms to advance sustainable energy practices, supporting the Group’s goals while driving measurable environmental progress.**”

*Guo Ruisi,
Operational Excellence Team, KOSTAL China
Guo Ruisi, representing KOSTAL China, winner of the Sustainability Impact*



Enhancing Energy Efficiency Through Transparency and Targeted Upgrades

KOSTAL continues to advance its energy efficiency ambitions by combining improved transparency with targeted technical measures across its global operations. As part of its Group-wide objective to reduce energy consumption in production by 25% without compromising output or quality, 2025 initiatives focused on two key drivers: the expansion of energy monitoring systems and the implementation of high-impact efficiency projects at the site level.

A central element of this approach is the Energy Monitoring System, which has been further developed to provide detailed insights into energy use beyond main meters. By extending measurement to departments, production lines and technical infrastructure (individual machines), KOSTAL creates a near real-time “digital twin” of its facilities. Supported by smart sensors and meters, the system tracks key utilities such as electricity, compressed air, nitrogen and gas, alongside relevant quality indicators. This enables sites to identify inefficiencies, detect non-productive consumption, optimise operational parameters and establish reliable baselines for continuous improvement.

Energy monitoring solutions are now in place at most KOSTAL production sites at varying levels of maturity. Early implementations, including at KOSTAL Bulgaria and KOSTAL Macedonia, already demonstrate tangible benefits and support the identification and prioritisation of further efficiency measures.

At KOSTAL China, an advanced Energy Management System and Intelligent Energy Platform were introduced to optimise the operation of HVAC systems. By integrating smart control devices and connecting them to a PLC interface, the site achieved real-time moni-



FROM AMBITION
TO ACTION



toring and control of air conditioning, fresh air, heating, and exhaust systems. This system has not only generated significant energy savings but also reduced manual efforts through automation and is expected to qualify for a government subsidy in 2025.

In Bulgaria, the site implemented a Power Monitoring System, enabling real-time data collection on energy consumption, detecting compressed air leaks, and improving overall plant efficiency. The initiative has enhanced energy efficiency compliance and reduced compressed air consumption through immediate leak detection. Additionally, automated alerts for abnormal flow and power usage now ensure proactive energy management.

At KOSTAL Morocco, a strategic reduction in subscribed electrical capacity significantly lowered environmental impact and operational costs. This initiative reduced annual energy fees substantially, contributing to long-term financial savings and sustainability goals.

KOSTAL has implemented targeted upgrades to reduce energy demand at KOSTAL Ireland, where a lighting efficiency project was completed in 2025. In the production hall, 792 fluorescent tubes (70 W) were replaced with 396 high-efficiency LED luminaires (33 W). This upgrade significantly reduced the installed lighting load while maintaining the required illumination levels for production. As a result, annual electricity consumption for lighting is expected to decrease by approximately 75%, delivering a substantial reduction in energy demand.

By integrating advanced monitoring with practical on-site improvements, KOSTAL ensures that energy efficiency measures are both measurable and impactful.



FROM AMBITION
TO ACTION



Waste

Proper waste management measures not only create value by providing new materials for production through reusing or recycling, but reduces carbon emissions and toxic pollutants, contributing to cleaner air and groundwater.

We define waste as materials and by-products, including packaging generated our upstream activities that are not intended for further use. At KOSTAL, waste is measured by total generated waste and waste intensity, reflecting the amount of waste produced per unit of revenue.

When it comes to **waste management**, the goal of KOSTAL is to apply the concept of circularity. We primarily focus on eliminating the generation of waste from our operations as much as possible. While we acknowledge that it is impossible to entirely avoid the production of waste, we are working on closing the loop.

This approach requires careful planning in production, starting from the product design phase. We are actively seeking materials that can be reused or efficiently recycled and utilising manufacturing processes which limits the amount of waste generated.





What we do to improve our waste management practices

Critical to achieving our waste generation-related goals is minimising the amount of waste generated throughout our operations and continuing responsible practices that increase our waste diversion rate.

Our waste reduction strategy

- Developing products while keeping sustainability in mind.
- Reviewing processes resulting in the highest waste generation at our manufacturing sites to identify opportunities for reduction.
- Continuously seeking to implement new and efficient solutions to recapture and repurpose waste from our operations.
- Reviewing our packaging requirements for incoming materials, focusing on the sustainability aspect of packaging materials, and following the hierarchy: eliminate, reuse, and recycle.



91%

waste diversion rate in manufacturing in 2025 compared to baseline



Waste reduction and diversion targets

Our target is to reduce waste intensity by 3.5% annually and achieve a 90% waste diversion rate across all manufacturing sites globally by 2030.

Waste-related performance indicators and review

We defined waste-related performance indicators to understand our progress in minimising waste and regularly review the amount of generated waste, as well as the amount diverted from landfills for reuse and recycling.

Dealing with hazardous substances

The use of hazardous materials in production and operations is subject to strict legal and industry regulations. Under the umbrella of our ISO 14001 Environmental Management System, we perform regular audits of our chemical management processes to verify our compliance with the external and internal requirements.

Commitment to circularity

We are committed to circularity and strive to integrate this mindset into all of our production processes, ensuring that resources are continuously reused, recycled, and repurposed throughout our operations.

Wherever feasible, we prioritise the use of recycled materials in production. Additionally, we design products with a focus on waste reduction and continuously optimise manufacturing processes to minimise waste generation.

Most importantly, we focus on preventing waste generation by actively practising waste diversion. We are dedicated to diverting waste from landfills to reduce atmospheric and groundwater pollution, while also minimising emissions associated with waste transportation. While total waste elimination is not always feasible, we ensure compliance with all relevant local and global regulations and industry best practices.

Waste mitigation across the value chain

Recognising that our impact extends beyond our operations, we implement waste mitigation efforts throughout the entire value chain, including raw material management. Waste-related requirements are outlined for our suppliers in the [Supply Chain Code of Conduct \(SCoC\)](#). Read more on this topic on [page 32](#).



“Avoiding waste, conserving resources: efficiency is our priority. Sustainable cycles are the key to future-proof production.”

*Martin Brinkmeyer,
Director Global Quality Methods and System,
Member of the KAE Sustainability Board*



Waste-related achievements 2025

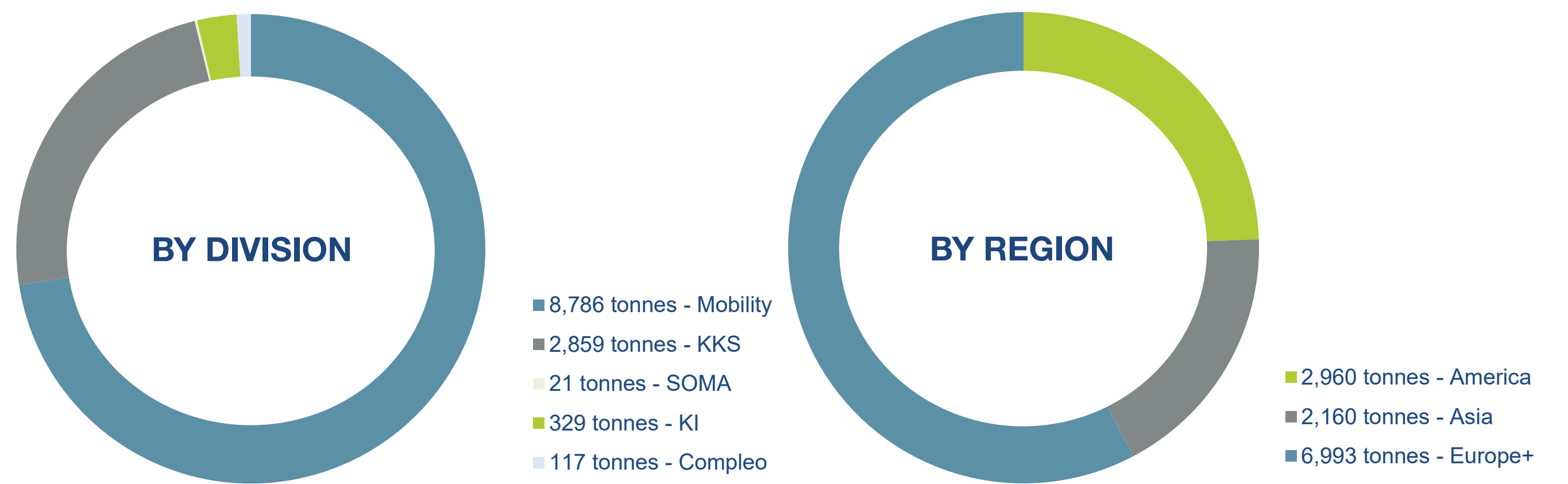
- We regularly monitor our main waste-related performance indicators to understand our progress in minimising waste.
- By focusing on circular economy practices our waste diversion rate was 91%.

To empower our sites and increase site performance in the most crucial strategic sustainability KPIs, waste, energy and water, we have introduced dedicated global Sustainability Improvement Workshops. These sessions bring together small working teams virtually to explore the challenges and opportunities behind essential KPIs. Each workshop features “mentor” sites, those excelling in a given KPI, and “risers” eager to address their own unique challenges and develop plans to enhance performance.

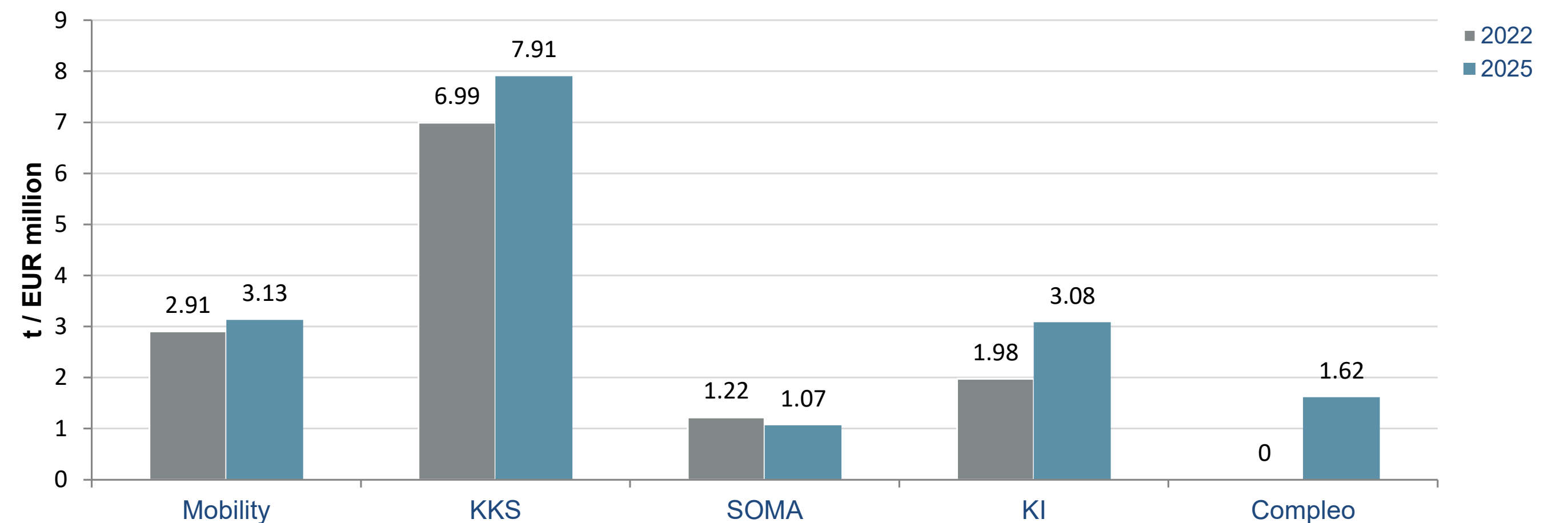
In 2025, we held the first workshop focused on a critical KPI: waste recycling rate. During the workshop, sites identified waste streams, recurring problems in current recycling options, and shared ideas for possible solutions. In the end, sites created an action plan for 2026 to improve their site’s performance. Representatives from 8 sites participated, highlighting the value of openly discussing obstacles and exploring new opportunities for growth. Participants also appreciated the networking and the chance to learn from each other’s experiences.

As we advance, we are adopting a comprehensive approach to reducing waste globally, focusing on international collaboration, sharing best practices, education, improved resource management, and developing more sustainable disposal methods.

TOTAL WASTE GENERATED 2024



WASTE INTENSITY BY DIVISION [t/EUR million]





Advancing circularity: standardised plastics recycling across injection moulding operations

KOSTAL is strengthening circularity in manufacturing by reducing plastic waste and increasing the reuse of production material, without compromising quality. At KOSTAL Mexico, we implemented a robust recycling and regrinding process for injection moulding operations, based on clear internal standards. Sprues and plastic scrap are systematically collected in dedicated containers, thoroughly cleaned and carefully tested to ensure consistent material properties and compliance with product quality requirements.

KOSTAL Mexico serves as the central hub for regrinding, and the approach has also been adopted at selected sites in Germany, Spain and China, supporting the rollout of best practices across the Group.

By using a defined material blend of 30% recycled content and 70% virgin material, we achieve raw material savings while maintaining high performance standards in production. Since 2019, these efforts have generated approximately 1,717 tonnes of

mixing material savings, contributing to reduced landfill waste and more efficient resource use. The initiative also reflects customer engagement, as it responds to specific requests from two customers and demonstrates KOSTAL's commitment to meeting stakeholder expectations through practical, scalable environmental action.



FROM AMBITION
TO ACTION



Water

Fresh water is a finite and vulnerable resource that sustains life. Its delicate balance requires careful stewardship, strategic, effective management, and joint efforts by all global stakeholders.

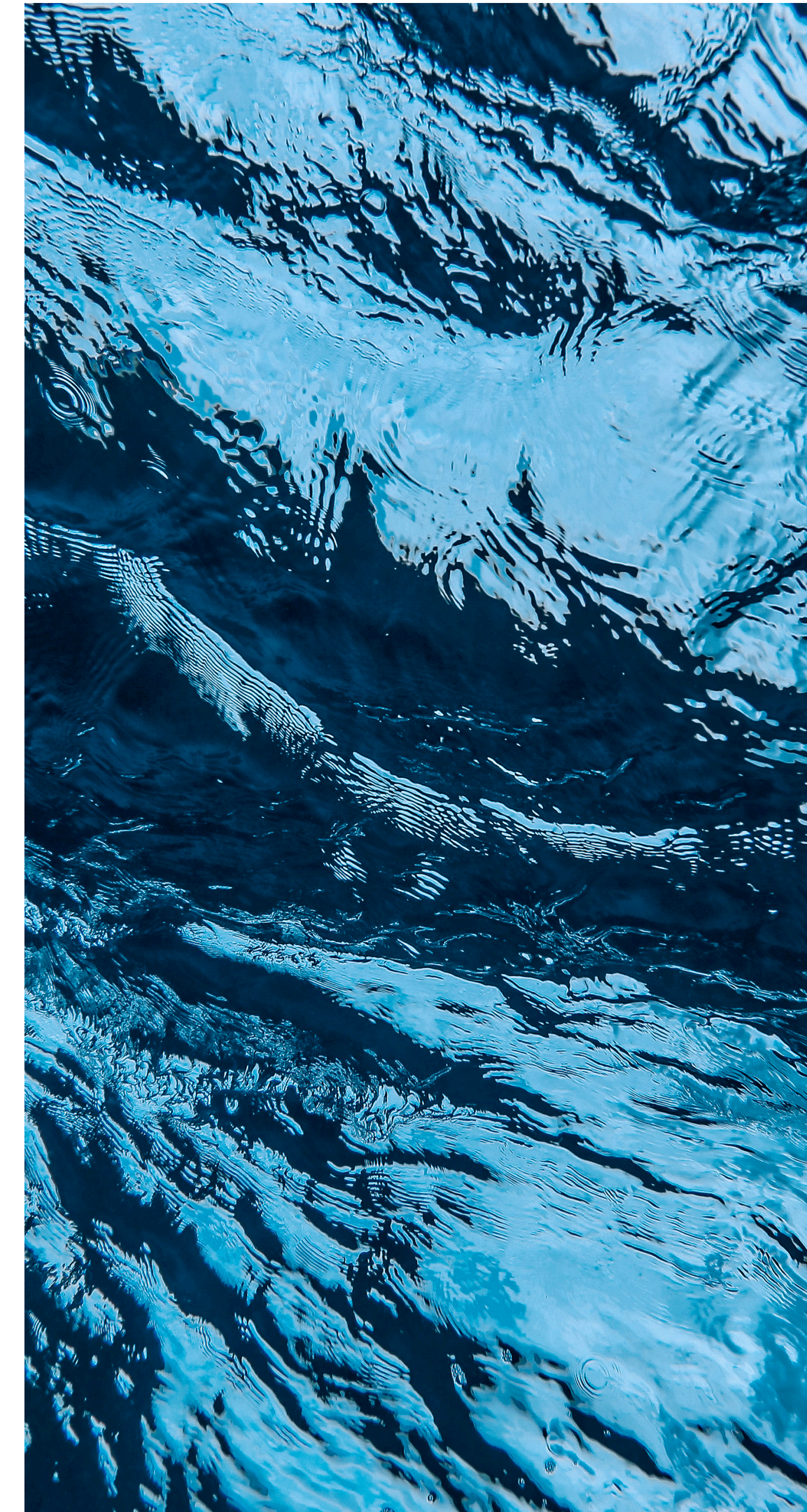
Although access to water has been recognised by the United Nations as a human right, water scarcity is an increasing problem on every continent, with poorer communities being the most severely affected. The global consequences of changing climate and growing population are making water scarcity worse and are making water more unpredictable.

At KOSTAL, we define water withdrawal as the total volume of water extracted from natural sources, mostly municipal supply, for use in our operations. Water discharge, on the other hand, refers to the total volume of water

released or returned to the environment after being used in our operations to public treatment systems.

The manufacturing operations of KOSTAL do not require a significant amount of water input as our primary water usage is mainly related to domestic purposes in our buildings. Given the negligible amount of water consumption in our production processes, we adopt a water management approach where consumption is estimated at 3% of total water withdrawal, with the remaining 97% considered as water discharge.

As an important element of our environmental Sustainability Strategy, we are committed to using water responsibly. To achieve our ambitions, we review the water scarcity at each of our facilities, regularly assess the water consumption of our locations, and implement water reduction activities, especially in facilities located in high-risk areas. According to WRI Aqueduct analysis, we have identified that our facilities in Mexico, Morocco, China and in India are located in regions experiencing water stress.





What we do to reduce our water withdrawal

Focusing on water scarcity

Analyse issues of water scarcity and risks at each of our facilities, focusing on our sites located in water-scarce areas.

In Mexico, Morocco, China, and India, we further explore approaches to improve current water performance.

Monitoring and improving water efficiency

Analyse water withdrawal, and water intensity results and benchmark these within KOSTAL facilities and with industry benchmarks to identify opportunities for improvement.

To advance our water conservation efforts, we are committed to reducing water intensity annually, investing in water-saving technologies.

Managing water risks in the supply chain

Water risks may exist in our value chain, particularly in raw material extraction and production processes. KOSTAL Group actively collaborates with suppliers to monitor and address these risks.

Using our Sustainability Risk Intelligence (EcoVadis IQ) for Global Supply Chains software, we identified 102 suppliers exposed to significant water-related risks.

Water-related achievements in 2025

- Improved water intensity by 7% through ongoing efforts to reduce water withdrawal.
- Submitting the water security questionnaire to CDP, demonstrating our proactive approach to water management and transparency.



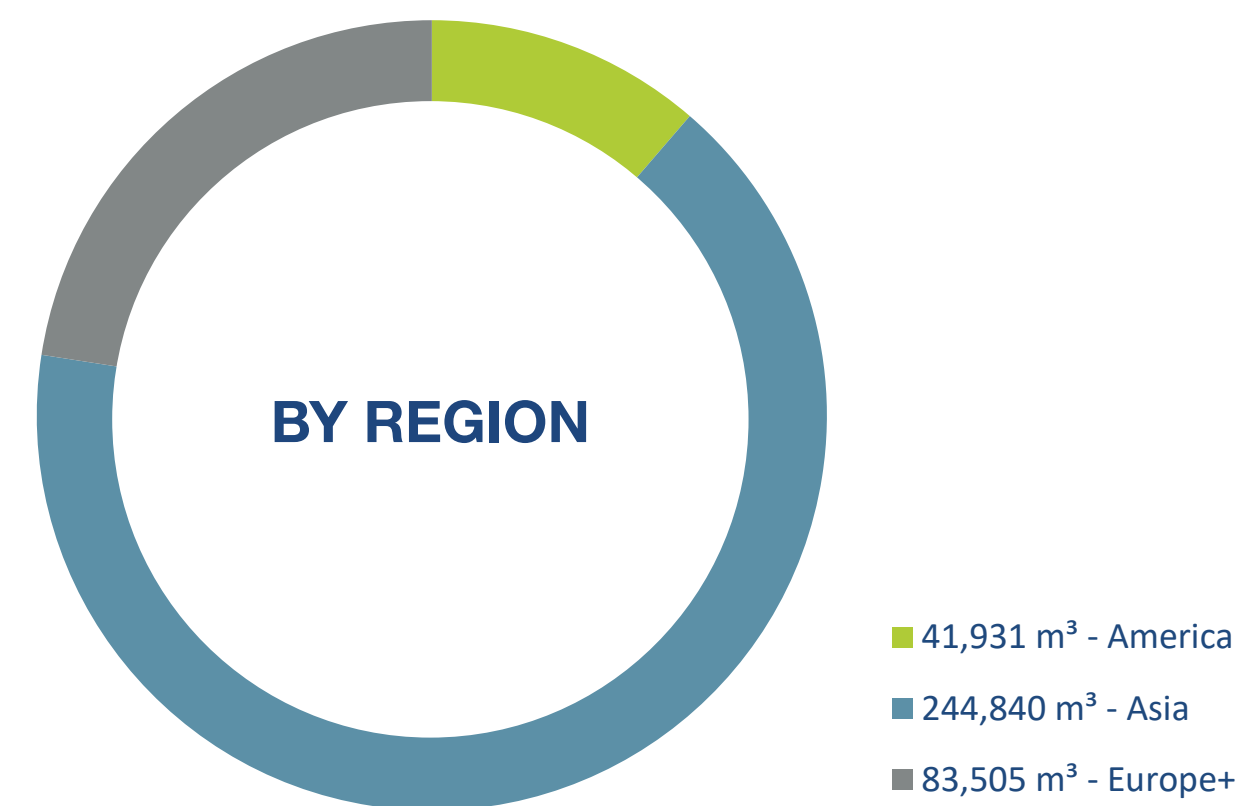
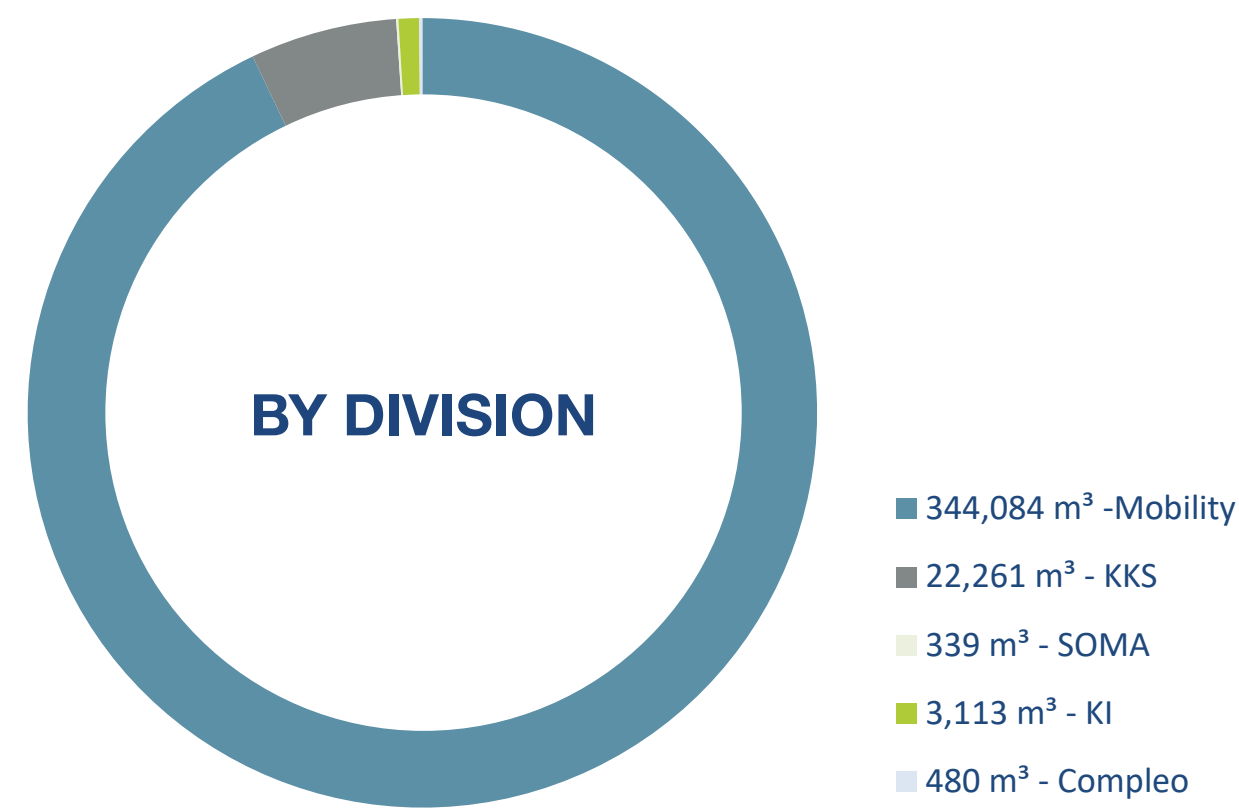
7%

reduction in water intensity

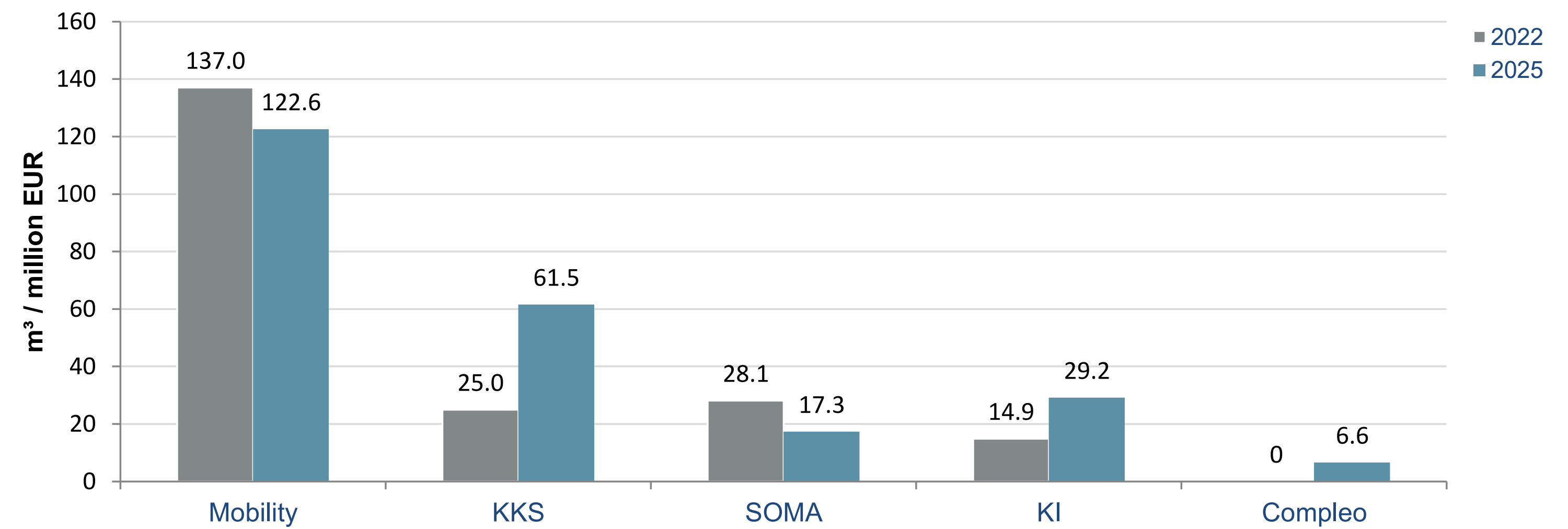




TOTAL WATER WITHDRAWAL 2025



WATER INTENSITY BY DIVISION [m³/million EUR]





Water Stewardship and Circular Water Reuse

In India, KOSTAL recognises that with increasing concerns about freshwater scarcity, every drop counts when it comes to water conservation. Water scarcity is a growing concern worldwide, making it crucial to maximise the use of available water resources across operations and facilities.

Reverse osmosis (RO) systems, widely used for water purification, typically discard a significant portion of input water as rejection water. This rejection water is a byproduct of the RO filtration process; rather than discharging it into drains, KOSTAL India is focusing on opportunities to capture and reuse it for suitable non potable purposes, thereby reducing freshwater withdrawals and limiting avoidable water loss.

In addition, modern buildings often use central air conditioning systems with air handling units (AHUs) for cooling and ventilation. These AHUs generate a byproduct known

as condensation water, a valuable resource that is frequently overlooked but can contribute significantly to water savings when systematically collected, stored, and managed. At our Indian plant, central air conditioning systems can generate approximately 500-600 litres of condensate water per day during peak summer months, depending on humidity, system capacity, and operating hours. Following appropriate testing and treatment, these alternative water streams can be reused for non potable applications such as toilet flushing, gardening and irrigation, floor cleaning, and car washing.

Reusing RO rejection water and harvesting AC/AHU condensate represent practical, eco friendly measures that can materially reduce KOSTAL India's water footprint and support more resilient and sustainable water management.



FROM AMBITION
TO ACTION



Sustainable product design

Our product range blends tradition and innovation, with environmental efficiency and reliability at its core. We recognise that the design and manufacturing processes, which define the entire product lifecycle, are central to our impact on climate change.

Climate change is one of the most pressing challenges of our time, with far-reaching consequences for the environment, society, and economy. Significant reductions in greenhouse gas emissions from transport and electricity generation are crucial to achieving the ambitious targets set by the Paris Agreement.

Our innovative products play a key role in mitigating the impacts of climate change. Through innovations in electric vehicle charging technology, solar inverters, and frequency converters, KOSTAL Group with its cutting-edge technologies is at the forefront of facilitating the global transition to decarbonized transportation, electricity generation, and enhanced energy efficiency in the global economy.

Our commitment to sustainability is ingrained in our research and development (R&D) activities, which provide a solid foundation for the sustainable growth of KOSTAL Group.

Our ambition is to design and manufacture sustainable products focusing on the following **directions of development**:

- sustainable materials,
- recycled content,
- reduced complexity,
- reparability, recyclability.





What we do for sustainable products

Sustainable design and materials

We are focusing on innovating and designing resource-efficient and low carbon-intensive products, which are also safe to use.

- High-level sustainability-related requirements are integrated into the Manual for Technology Development and Qualification. According to its guideline, we conduct detailed analyses of the sustainability impact for all new projects and programmes.
- We look for ways to use innovative materials, such as bio-based or recycled materials.
- We aim to reduce complexity, improve the reparability and recyclability of our products.
- We evaluate the sustainability impact across the entire product lifecycle.



RACE Production System

The “RACE Production System” at KOSTAL serves as a fundamental pillar of operational excellence, playing a vital role in production, enhancing our value streams and plants worldwide. It outlines a clear development trajectory and provides specific tools to achieve these improvements both in the performance and maturity dimension. A critical focus is on eliminating waste in all areas. For this, the Environmental Management principle represents environmental sustainability in our production system, making it a crucial factor in the ongoing development of our facilities. An additional facet of our commitment to social sustainability is reflected in several key principles: the “Zero Accidents” principle, dedicated to ensuring the safety and protection of our employees and the safety awareness within our organization; the “Empowered Teams” principle, focused on fostering the empowerment of our workforce; and the “Learning Organisation” principle, aimed at facilitating the continuous development and growth of our employees.

Together, these complementing building blocks significantly contribute to KOSTAL’s overarching sustainability goals.

Product safety and hazardous substances

- Our company is committed to ensure the safety and quality of all products we offer. We prioritise health and safety through stringent measures at every stage of the product lifecycle.
- We have established a KPI for our manufacturing facilities to reduce chemical usage by 3% year over year. Reducing the use of chemical substances at our manufacturing sites not only mitigates the impact of these materials but also supports our goal of decreasing the generation of hazardous waste. KOSTAL is aware of the importance of the impending ban on PFAS-containing substances (Per- and polyfluoroalkyl substances) and is working intensively to monitor the current developments on the part of the legislator and to define appropriate measures to ensure the continued supply capability and quality of our products. This includes the ongoing search for and qualification of alternative, PFAS-free materials.



Monitoring and continuous improvement

We continuously improve our products by considering stakeholder feedback, particularly when it comes to sustainability-related changes.

- We work closely with our customers to fully understand their sustainability needs, ensuring our products help them meet their carbon emission reduction targets.
- We actively monitor regional and global environmental legislation and regulations that could impact our products.
- We collaborate with our suppliers, prioritising those who report on their sustainability performance, have a lower sustainability risk and market sustainable products.



Product sustainability achievements in 2025

Product carbon footprint (PCF) calculation

PCF calculation enhances transparency and supports our customers in managing carbon emissions. KOSTAL is committed to adopting this practice, and in 2024, explored opportunities to acquire lifecycle analysis (LCA) software for calculating product carbon footprints.

In 2025, dedicated internal resources were assigned for PCF calculation, and relevant staff were trained on iPoint's LCA software and the associated web tool. In parallel, we initiated the design of an internal PCF process, including data collection structures, defined roles and responsibilities, and a repeatable workflow for conducting and documenting calculations across our main product groups and business divisions. We will further expand and formalise these activities in 2026, including the capability to create PCFs upon customer request.

Initial analyses show that the most carbon-intensive component in our operations is the plastic raw materials used in injection moulding. We have explored and tested bio-based and recycled material alternatives available on the market, aiming to provide our customers with a more sustainable option to replace virgin plastic.

Alternative Plastic Materials

In 2025, KOSTAL introduced three additional plastic materials that either contain a high recycled content or are produced using renewable raw materials. Our product developers now have access to more than 150 alternative plastic materials, all of which have a better environmental footprint.

In 2025, alternative plastic granulates accounted for 10% of the total plastic granulates procured by KOSTAL, representing an increase of approximately one quarter compared to the previous year. In addition, around 2% of the material used was regranulate, meaning that more than 12% of the plastic granulate processed by KOSTAL was selected to help reduce environmental impacts.





Electric vehicle on-board chargers

KOSTAL is a leading supplier of automotive battery chargers. KOSTAL chargers have been installed as standard in major vehicle platforms and are now in their fourth generation. The ability to charge an electric vehicle anywhere—using a socket, wall box, or charging station—is crucial to the success of electric mobility.

The onboard charger converts alternating current (AC) into the direct current (DC) required by the vehicle's battery. The flexible design takes into account the different grid connection conditions in relevant markets worldwide (for example, single or multi-phase grids). The development of efficient, dynamic converter algorithms and EMC-compatible design are core competencies of KOSTAL.



Compleo innovation: High-power charger eTower 200 — a Compleo innovation

High power, greater flexibility. The eTower 200 sets new standards in high-power charger (HPC) technology thanks to its maximum efficiency, grid-friendliness, compactness, highest usability, and modular structure, delivering exceptional performance.

The eTower is equipped with numerous innovative features to make it compact, efficient and user friendly. The product was launched in 2023 and is developed and manufactured in Germany. Enabling ultra-fast charging (with a peak output of 200 kW and an efficiency of more than 96%) and intuitive operation, this technology is truly future-ready.

By the end of 2025, Compleo will have calculated the CO₂ footprint of its major products, DUO and eTower. This initiative shows Compleo's commitment to sustainability and its ongoing efforts to reduce environmental impact.





PLENTICORE plus G2, new generation

PLENTICORE plus is one of the leading products of KOSTAL Industrie Elektrik. Generating and storing solar energy independently of electricity suppliers and in an environmentally friendly way—this is how we respond to the requirements of our customers.

The new generation of the inverter, G2, impresses with additional features in the areas of performance, communication and simplified use

- Integrated WLAN facilitates initial commissioning and monitoring.
- Two LAN interfaces and four digital outputs.
- Surge protection device monitor input.
- Self-learning shadow management of the PLENTICORE plus inverter ensures maximum yields in solar power generation.
- Smart grid function (“SG Ready”).



INVEOR frequency inverter — the building block for sustainability

For effective energy transition, it is imperative to prioritise renewable energy generation and the most efficient and cost-effective utilisation of energy. Our INVEOR frequency inverters serve as a fundamental building block in this process, ensuring that industrial electric drives are controlled more efficiently worldwide and consume less energy.

An uncontrolled motor always operates at 100% capacity, even when only 50% is needed. By using our INVEOR, this savings potential can be realised, significantly reducing energy consumption. The KOSTAL frequency inverters can control all drives with maximum efficiency, regardless of the manufacturer or motor technology.

Thanks to its universal adaptation concept, the INVEOR can be easily integrated into both new and existing systems, immediately contributing to noticeable energy savings.



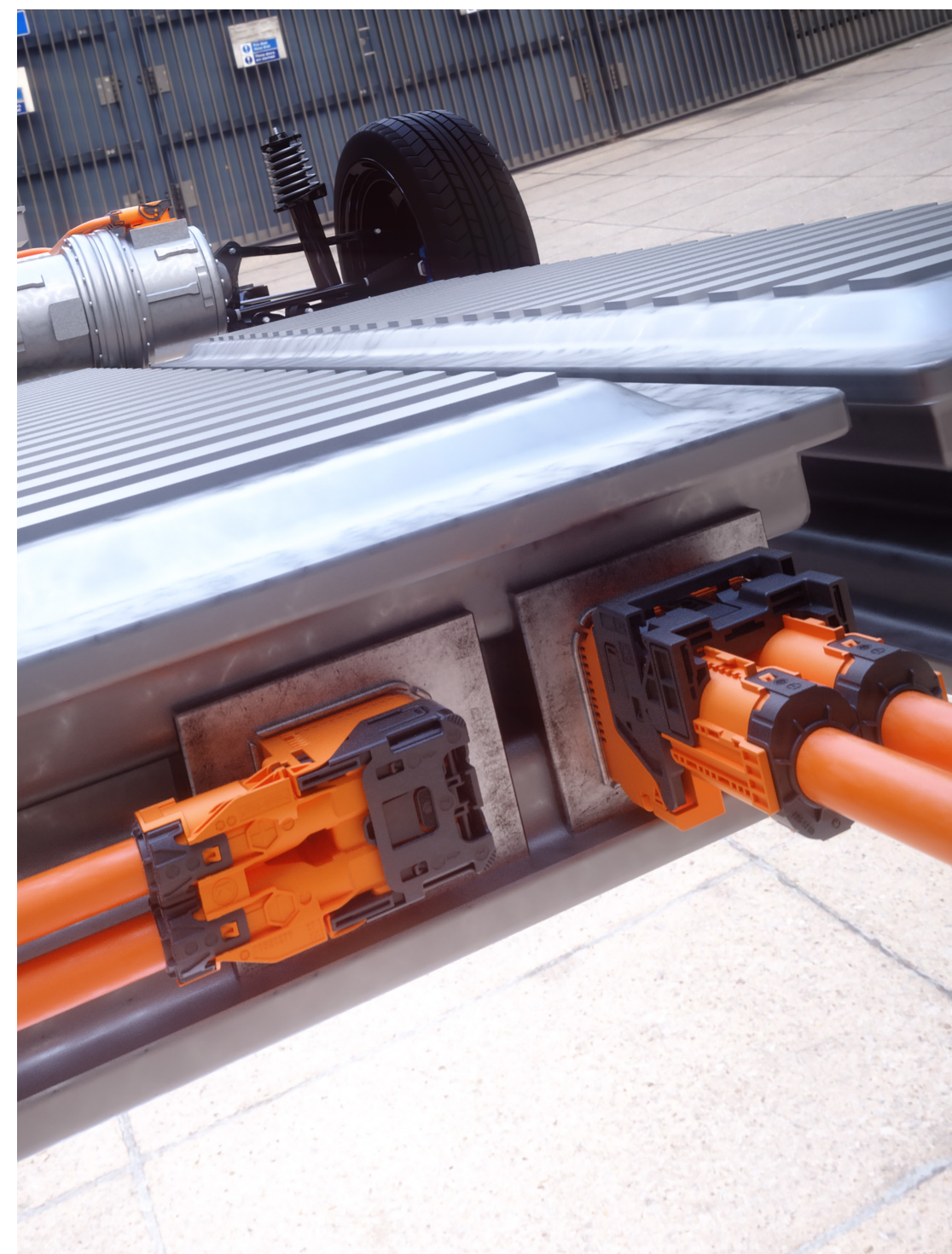


High-voltage connector modules

KOSTAL provides safe, simple, and modular high-voltage (HV) connectors for electric vehicle batteries.

While safety requirements for HV applications are critical, flexibility in space utilisation and ease of installation when connecting storage modules have often been overlooked in the past. KOSTAL's HV battery module connectors address this gap.

For this product line, two connection versions have been developed to optimise space utilisation for electric vehicle battery modules. Additionally, the KOSTAL battery module connectors for HV applications are extremely easy to install without the need for assembly removal tools.



“The materials we select during the development of a product influence the footprint we leave behind. We seek to minimise our impact on the environment by providing our developers more and more recyclates, regranulates and even biomaterials for product development.”

*Dr Marcus Eickhoff, Head of Basic Technology and Analytics,
KOSTAL Automobil Elektrik*



KOSTAL embraces the future of manufacturing with 3D printing

The integration of 3D printing into KOSTAL's operations brings several key advantages, enhancing both production efficiency and sustainability.

■ Decentralised production

By using 3D printing, KOSTAL can ensure delivery capability and reduce the need for long-distance transport. This not only speeds up the manufacturing process but also improves logistical flexibility.

■ Cost-effectiveness

For spare parts or optional equipment with low delivery quantities, additive manufacturing provides a highly cost-effective solution. Injection moulding often requires significant setup costs, while 3D printing overcomes this barrier, offering efficient solutions for low-volume needs.

■ Shorter response times

Additive manufacturing allows for rapid production, which is particularly beneficial in just-in-time delivery systems.

■ Unique technical features

3D printing enables the realisation of complex and unique

technical features that would be challenging to achieve through traditional manufacturing methods.

■ Digitalisation of process chains

The potential for 3D printing in the digitalisation of manufacturing processes is promising: shorter workflows, reduced manual intervention, and enhanced overall efficiency of production operations.

■ Environmental sustainability

Compared to traditional injection moulding, 3D printing significantly lowers the CO2 footprint. The reduction in transport, material waste and energy consumption during production translates into a more sustainable manufacturing process, supporting KOSTAL's sustainability ambitions.



In 2025, KOSTAL continued to expand its use of 3D printing (additive manufacturing, AM) within its operations, focusing on the production of spare parts for low-volume applications. This innovative approach is essential for producing components long after the original production run has ended. With traditional methods, the need to store thousands of injection moulding tools worldwide can result in missing or outdated parts or issues when suppliers go out of business.



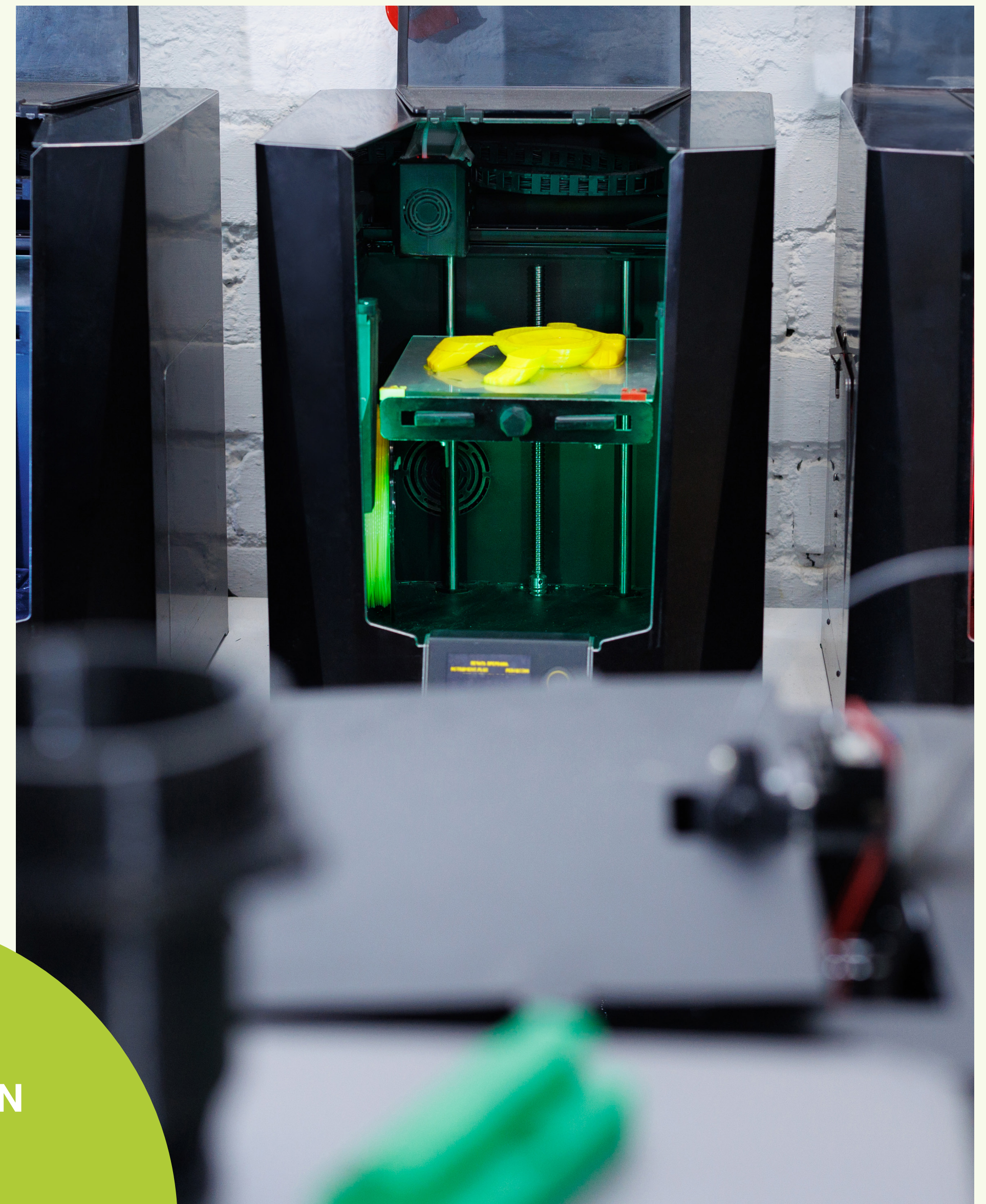
FROM AMBITION
TO ACTION



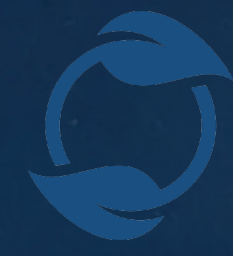
Additive manufacturing allows for the creation of three-dimensional components using materials such as plastic, metal, synthetic resin, and composites. KOSTAL uses advanced methods, including Selective Area Fusion (SAF) and Multi-Jet Fusion (MJF), both of which are classified as powder bed fusion (PBF) technologies. These processes work by selectively fusing powder particles using thermal energy and infrared radiation, enabling the production of complex components with precision. Other techniques, such as Stratasys SAF for high-volume manufacturing, DLP 3D Printing for smooth painted surfaces, and Stratasys PolyJet for multi-component parts, are also used in various applications. For example, the use of PolyJet has already resulted in cost savings of approximately €150,000.

KOSTAL has reviewed Life Cycle Assessment methods based on the DIN EN ISO 14040 standard to measure the environmental impact of its AM processes. Studies show that MJF and SAF offer significant environmental benefits, especially in low-volume production (1,000 to 5,000 units). The SAF process further reduces CO2 emissions by around 50% by reusing thermally aged powders. Additionally, using renewable energy sources makes 3D printing more sustainable as production volumes rise.

By utilising AM for low-volume production of spare parts, KOSTAL is not only improving operational efficiency but also advancing its sustainability efforts, reinforcing its commitment to innovation and environmental responsibility.



FROM AMBITION
TO ACTION



People

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Social sustainability

Sustainability places people's wellbeing at the centre of its efforts, aiming to enable a high quality of life now and in the future. This includes protecting the environment, reducing pollution, using resources responsibly, but also safeguarding human rights, supporting physical and mental health, and fostering a safe, inclusive environment in which individuals and communities can thrive.

Social sustainability is difficult to measure with KPIs due to its inherent nature, but enhancing social processes has a significant positive impact on communities and the economy. Health and well-being, injustice, hunger, and poverty are critical societal issues emphasised by the UN Global Compact in ten out of seventeen sustainable development goals.

KOSTAL is determined to drive positive change in social issues both inside and outside the organisation. We prioritise the well-being of our colleagues, customers, people on our supply chain, the communities in which we operate. Our goal is to integrate best practices, develop a comprehensive social Sustainability Strategy, and implement its components across all KOSTAL locations.

Our social sustainability practices vary in different markets in alignment with the respective local industry needs, the development of our business, and the size of our organisation at the given location. As KOSTAL is a global organisation, we see the need for aligning these different practices. We support bottom-up initiatives and share knowledge related to social sustainability in the dedicated site-level sustainability team, the Sustainability Champions Community.

Our social sustainability efforts are closely aligned with both global and local HR goals, prioritising employees' rights, health, and well-being. **Ensuring the health and safety of our employees and safeguarding human rights are our highest priority.**





We also place great emphasis on employee engagement and development as key components of our strategy. Additionally, we take pride in the diversity of our workforce and actively promote this through both internal and external communication. A detailed strategy for social actions is currently under development, with governance and clear ownership to be established in 2026.

As defined in our [Code of Conduct](#), all KOSTAL employees have a right to freedom of association and to have their interests represented by their elected representatives.

We are committed to advocating for our employees' best interests and have achieved great success through global collaboration. We also fully respect our employees' right to freedom of association, including the right to form and join trade unions or other worker organisations.

As part of our strategic realignment, KOSTAL has implemented a workforce reduction in Germany, aimed at improving operational efficiency and aligning with changing market conditions. This decision affected several business units, regions, and sites, and we focus on managing this transition with care and support for our employees. We have taken steps to assist those impacted by the changes, including providing severance packages, retraining opportunities, and redeployment efforts where possible. We also prioritised the well-being of our employees during this period, offering support through mental health programs and consultations. Throughout the process, we have worked closely with unions, local communities, and government authorities to ensure open and transparent communication. While the restructuring is ongoing, there have been positive outcomes, with some employees successfully transitioning to other roles within KOSTAL or finding new opportunities elsewhere.



What we do for social sustainability

Our people-centred approach

We are committed to creating a safe and supportive workplace where employees feel valued, empowered, and engaged. Along with offering fair compensation and comprehensive social benefits, we ensure that our workforce is actively involved in our sustainability initiatives through various programs and events.

Focusing on employee development

We support employees' individual growth by providing global training opportunities, including structured programs on KOSTAL's Sustainability Strategy and compliance. These resources empower employees to develop professionally and contribute to our sustainability goals while ensuring adherence to ethical and regulatory standards.

Culture of diversity, equity, and inclusion (DEI)

We aim to make DEI core values at KOSTAL, a culture that promotes equality, and respects the rights of all peoples and communities. We ensure their participation in decisions that affect their land and resources. DEI are integral to our local initiatives, engaging employees through various events. In addition, we are dedicated to positively impacting the communities where we operate by supporting key initiatives in education, healthcare, and infrastructure.

Partnering with suppliers on social sustainability

In collaboration with our suppliers, we work toward achieving our sustainability goals, ensuring that social responsibility is integrated into every aspect of our supply chain.





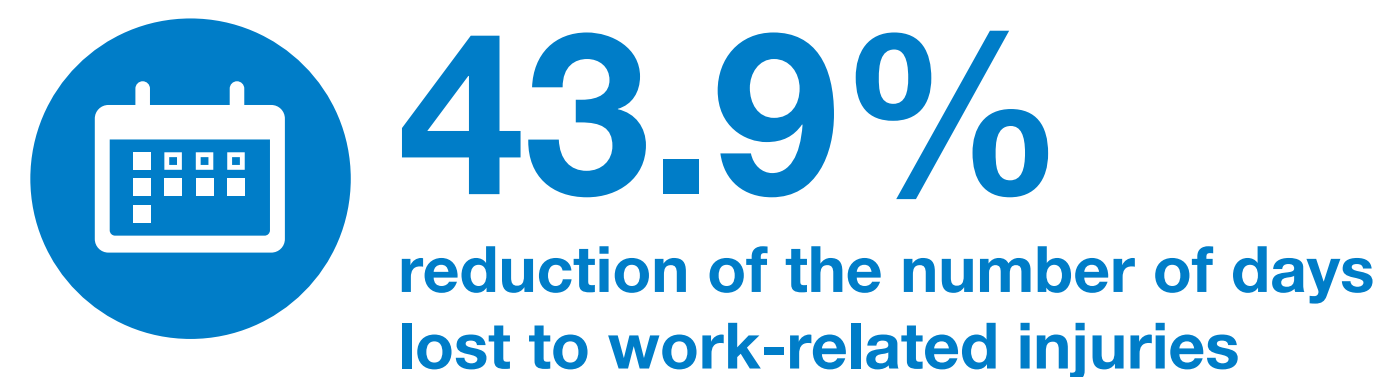
What we do for social compliance

- We operate our business in compliance with all applicable laws and regulations.
- We implement internationally recognised health and safety systems and independently certify our manufacturing operations. Our ambition is to achieve ISO 45001 certification for all our factories.
- We take responsibility for human rights and working conditions across our operations and supply chain, guided by our [Human Rights Policy](#). This includes conducting internal audits, following ethical recruitment practices, and adhering to standards such as the UNGC. We also apply UN ILO principles to ensure fair labor practices and protect workers' rights.
- We uphold social responsibility throughout our value chain, in alignment with KOSTAL's [Supplier Code of Conduct](#).
- Social aspects are integral in our supplier risk assessment and supplier qualification strategies.



Social performance achievements in 2025

- 45% to 55% female to male ratio supports diversity in our culture.
- Around 20,000 employees located at 22 countries.
- 43.9% reduction of the number of days lost to work-related injuries.
- All of our factories comply with ISO 45001 where legally required. In 2024, 24.3% of our factories are certified to this standard, underscoring our strong commitment to ensuring a safe and healthy working environment for our employees.
- We have reviewed and implemented new key performance indicators for social sustainability. Read more on [page 119](#).
- We have implemented a centralised platform called DATA-CUBE to collect key ESG metrics related to our workforce.



Employee engagement programmes at KOSTAL Germany (top), KOSTAL Morocco (middle), and KOSTAL China (bottom)





KOSTAL's **People Strategy 2030** is a comprehensive strategy to structure human resources and addressing key aspects of social sustainability. It outlines priorities to enhance human resources (HR) capabilities and future readiness, focusing on attracting and retaining top talent, improving recruitment through technology, and enhancing the employee experience with digital HR services. The strategy also focuses on learning, compliance, risk management, and labor relations to meet current and future challenges in a competitive global market.

In 2025, the global HR community was proceeding with the execution of the People Strategy 2030 in the frame of the Objectives & Key Results (OKRs) methodology. Via its quarterly rhythm, this agile way of goal setting allows the HR teams to be more aligned with the business needs, adapt to the frequently changing environment more quickly, and analyze the impact of their actions via measurable Key Results. All of the HR OKRs of 2025 were feeding into one of the following Global HR Priorities, set as mid-term strategic areas for HR: (1) Enhance Talent Attraction and Retention (2) Improve Employee Experience (3) Optimize HR Operations and Efficiency (4) Strengthen Leadership and Management Capabilities (5) Develop a Learning Organization (6) Focus Compliance, Risk Management and Labor Relations. Besides numerous completed local initiatives, we are expecting to implement some significant global projects in 2026.

We gather best practices and organise **global campaigns** to engage employees in sustainability efforts. A successful example of this is our E-Waste Weeks campaign, which highlights the importance of recy-



cling in the electronics industry and everyday life. The success of this campaign is reflected in its continuation for a third year across multiple locations. Additionally, we coordinate local social projects with the support of Sustainability Champions, using both bottom-up and top-down approaches.

We are committed to protecting the human rights, health, and safety of our colleagues and everyone in our supply chain. Through closer collaboration with our suppliers and the development of a centralised health and safety team, we will strengthen ethical practices, improve workplace safety, and support positive social impact throughout our supply chain.



„By applying OKRs as an agile framework for executing our People Strategy 2030, we turn shared priorities into measurable outcomes – aligning teams across countries, accelerating impact and sustaining continuous improvement.”

Zsanett Jobbágy, Senior Project Manager (HR) at KBS Hungary



Strengthening employee wellbeing and team spirit through active engagement

In June 2025, KOSTAL participated in the AOK Company Run in Lüdenscheid with a strong team presence of 154 colleagues, joining more than 6,800 participants from the region. The 6 km route through the city centre provided an opportunity for employees to engage in physical activity and experience a shared event atmosphere, whether running, walking, or supporting colleagues along the course.



By promoting health, motivation and cross-functional connection, the company run supports our social sustainability ambition to foster a positive and inclusive workplace culture. At the same time, the event's charitable purpose reinforced KOSTAL's commitment to contributing to the local community, and we aim to continue building on this engagement through future participation.



Working at KOSTAL

At KOSTAL, we believe our colleagues are essential to our future success. We are committed to acting with care and responsibility towards our employees, suppliers, customers, and the communities where we live and work.

Our values put special focus on how we treat people, and we strive to create a workplace where every employee can be themselves and is empowered to do their best. Our employees uphold high standards for performance, passion, and commitment. At the same time, we take pride in cultivating a familial atmosphere where values like fairness, integrity, and stability are deeply valued.

KOSTAL represents around 20,000 people in 59 sites within 22 countries with unique cultures across the globe, and our organisation is naturally diverse in many dimensions including age, religion, gender, ableness, ethnicity, and nationality. Our recognition and celebration of these differences contribute to innovation and creativity in our work and a sense of belonging in our communities.

Modern business life is characterised by change and transformation. We focus on addressing challenges like technical integration and providing a warm welcome to new employees across locations and business units. Our family-oriented culture ensures that every employee smoothly becomes part of the KOSTAL family.

We aim to provide our employees with support for all dimensions of their lives, including financial security, health, and work-life balance. As a family-owned company, we value the importance of balancing work, family, and leisure, which enhances performance, motivation, and commitment at work. These practices vary in the different regions in alignment with the local needs, that might include flexible working hours and attractive extras.



Digitalisation has been a major HR topic in the recent years. In addition to data integration, one of our largest digitalisation projects was the implementation of an applicant tracking system, which improves the applicant experience and standardises and digitalises processes across the KOSTAL organisation. Further enrolment and development will contribute to improving our operations and strengthening our competitive position.

To remain an employer of choice in today's competitive market, we will introduce a **global grading framework**, a consistent system for defining job value, assessing roles, levels, and career paths across the organisation. This framework is more than just a job structure, because it provides a transparent and accessible roadmap for employees to navigate their careers.



By standardising how we assess roles and opportunities, it ensures fairness, values contributions equitably, and aligns with regulatory compliance, such as Pay Transparency Directives and pay equity commitments. By combining our heritage with this forward-looking approach, we are creating a sustainable future where both the company and employees can succeed.

To achieve high-level performance and consistently advance our corporate goals, we need qualified employees. Target group interviews and employee workshops outlined that authenticity and our five unique selling points are the most convincing factors for attracting new talents. This forms the foundation of our **employer branding strategy**.

These unique selling points reflect the values that ensure stable, reliable solidarity and foster employee retention at KOSTAL as an employer.

Empowering teams (in combination with team culture)

- Enabling team culture through trust, support, emotional connection.
- Collaboration across hierarchies and countries.
- Freedom to do what is right.
- Can-do atmosphere.

Individuality matters

- Attention to personal preferences and needs.
- Many diverse roles, responsibilities and opportunities within a growing environment.

Engineering the future

- A role in shaping leading technologies and innovative products.
- Attractive brand, first choice in its segments.
- Purpose, passion and pride.

Family-owned, family-run

- Socially and environmentally responsible.
- Long-term consistency and commitment.
- Down-to-earth attitude.

Growth

- Grow your skills, your responsibilities, your topics in a future-orientated business.
- A growing business, expanding networks, new positions.

In the next step, we will focus on structuring and enhancing our media presence across relevant social media channels to showcase KOSTAL's corporate performance in the most compelling way. In addition, we are working on the global launch of an employee app, myKOSTAL, to strengthen and foster internal communication.

KOSTAL

Even the **BRIGHTEST MIND** needs an empowering team to unfold its full potential.

Develop yourself



Empowering Our People Through Communication: Launch of the myKOSTAL App

At KOSTAL, sustainability encompasses creating an inclusive, engaged and connected workforce. Effective communication is a key driver of this mission, ensuring that all employees have access to timely information and feel part of a unified organisation.

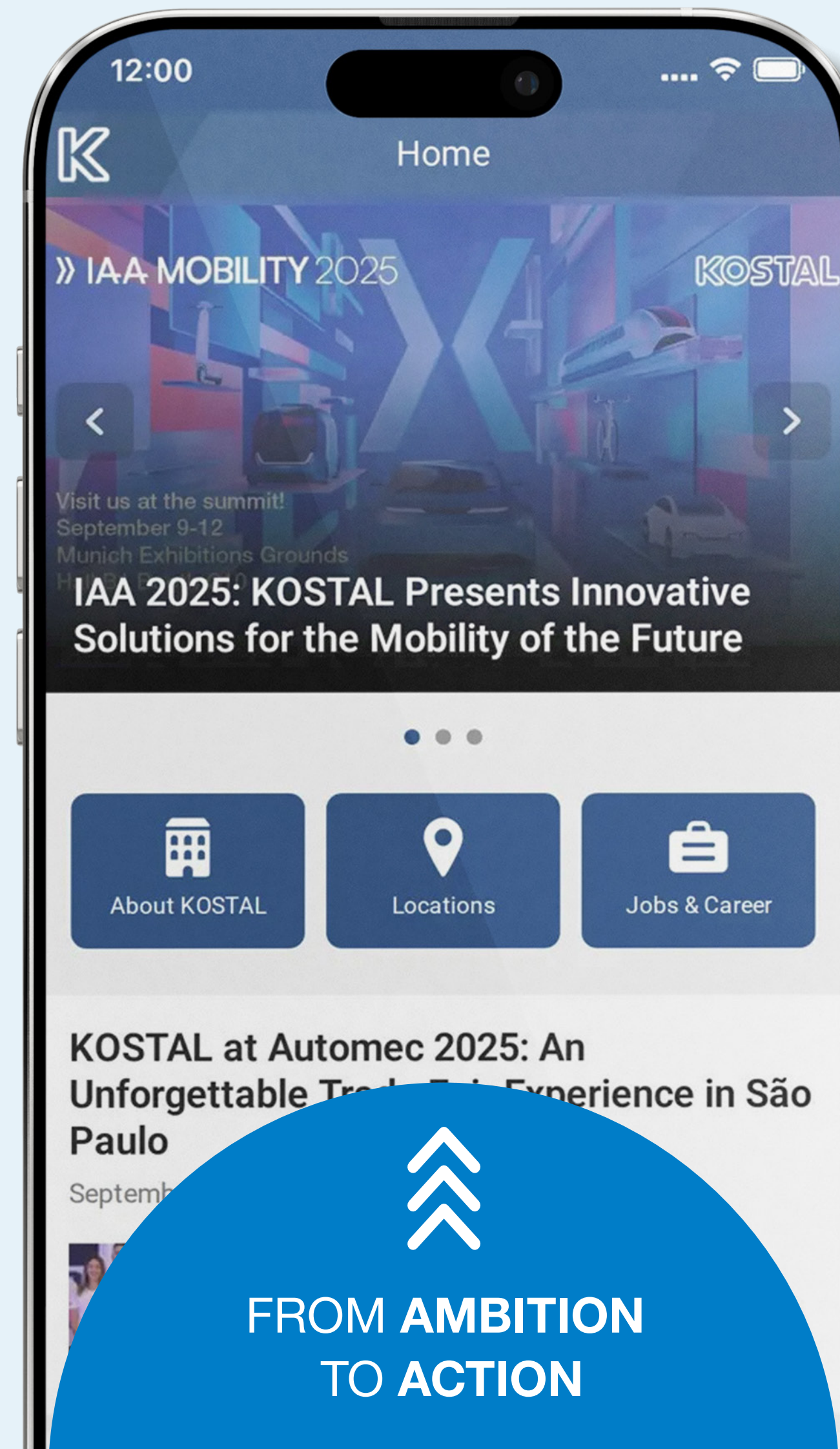
In 2025, we successfully completed the pilot phase of the myKOSTAL app, a global platform designed to enhance internal communication, transparency and collaboration.

Connecting Globally, Acting Locally

The app brings together a corporate-wide communication approach with the flexibility to address local needs and contexts. Employees worldwide receive updates that are relevant to their location, while remaining aligned with KOSTAL's overall vision and strategic priorities.

Two-Way Communication for Greater Engagement

myKOSTAL is not just a simple news platform - it enables bidirectional communication, allowing employees to provide feedback, share ideas and actively participate in shaping the workplace culture. This strengthens engagement and builds trust.



Accessible for Everyone, Everywhere

From the shop floor to the office, myKOSTAL provides quick and easy access for all employees, ensuring that everyone stays informed and connected. By promoting inclusivity and equal access to information, the app supports a culture of transparency and fairness.

A Consistent Look That Strengthens Belonging

Aligned with KOSTAL's employer branding campaign, the app features an intuitive and visually appealing design that mirrors our external brand appearance. By using the same look and feel internally and externally, myKOSTAL strengthens employees' sense of belonging and reinforces their connection to the company.

Looking Ahead: Global Rollout in 2026

Building on the successful pilot at the end of 2025, the global rollout of myKOSTAL is planned for 2026, reaching all KOSTAL employees worldwide. This initiative represents a strategic step in strengthening communication, fostering inclusion and embedding ESG principles into our workplace culture.

With myKOSTAL, communication at KOSTAL is not only effective - it is equitable, transparent and empowering, reflecting our commitment to sustainable and people-centered growth.



Health and safety

The health and safety of our team members is our top priority, and we are committed to providing safe working environments worldwide. We invest in advanced manufacturing technologies to help minimise workplace risks and maintain rigorous health and safety standards.

As stated in KOSTAL Group's [Code of Conduct](#), safety and health protection is a crucial part of our responsibility and activities, and we always act in accordance with the applicable standards and regulations.

We operate in a variety of environments, from production floors to research centres and offices. While the risks may vary across these different workplaces, our goal remains the same: to prevent injuries. Our commitment is that everyone returns home safely at the end of each day.

We ensure that potential health and safety hazards are assessed and eliminated when planning new processes and facilities or making changes to existing ones. Regular health and safety risk assessments are conducted in accordance with relevant legal requirements to identify and mitigate safety hazards at all KOSTAL locations. These assessments focus on identifying, evaluating, and prioritising physical, chemical, biological, and other health risks, with appropriate measures implemented for any unacceptable hazards. We are also committed to aligning the health and safety definitions across all sites to ensure consistency and improving the measurement of global status and progress.



Our vision prioritises the **well-being of individuals** throughout all our processes; to actualise this principle, we continually strive to enhance our technical infrastructure, optimise organisational processes, and foster meaningful engagement with our people.



What we do for health and safety

Health and safety ownership and reporting

We have a dedicated [Health and Safety Policy](#) that ensures the well-being of our employees and compliance with relevant safety standards.

Our goal is to continue enhancing ownership for health and safety activities within the KOSTAL organisation. Moreover, to improve internal reporting capabilities by implementing standardised definitions and methodologies for reporting occupational accidents and illnesses within KOSTAL Group.

In 2024, we introduced new KPIs and embedded health & safety ambitions into our broader sustainability goals to support a more proactive approach to social sustainability.

Occupational Health and Safety Management System

We established an Occupational Health and Safety Management System in line with the ISO 45001 standard, defining group-wide key policies, processes, and standards for occupational health and safety. A roadmap was defined for ISO 45001 certification to ensure 100% of KOSTAL's manufac-

turing sites were ISO 45001 certified. We integrated the evaluation of compliance with both internal and external Health and Safety requirements into the internal audit process.

“Zero accidents” in our RACE Programme

“Zero accident” is a key component of our RACE programme, launched in 2021 to elevate production capabilities and the supply chain through the Lean Transformation method for global plants. The RACE Team implements regular audits and shares observations with the plants to improve processes. Safety requirements are integrated into layered process audits to ensure unsafe conditions and hazards are identified and corrected before causing injury. For more information on the RACE programme, please refer to [page 76](#).

Supplier health and safety compliance

Suppliers must comply with national and international health and safety regulations as per the Supplier Code of Conduct, implementing systems and processes to ensure continuous compliance and mitigate potential risks to employee safety and health.



Health and safety achievements in 2025

In 2025, many sites have shown great examples in their **local health and safety management**. At KOSTAL Macedonia, health and safety is managed through a structured OH&S management system aligned with ISO 45001, providing a consistent framework to identify and control risks, meet legal and other requirements, and continuously improve performance. Leadership plays an active role in embedding safety into the organisational culture, for example, by addressing OH&S regularly in town hall meetings, and by setting clear expectations, leading by example, and supporting the Group's ambition for ISO 45001 alignment across sites. To strengthen capabilities in daily operations, KOSTAL Macedonia delivers targeted training through multiple channels, including workplace ergonomics sessions that combine practical guidance with real-world examples to reduce musculoskeletal risks and improve working conditions. Routine workplace safety inspections are conducted by teams familiar with the relevant tasks and areas, covering equipment, work practices and environmental conditions; findings are documented and followed up to ensure corrective actions are implemented and verified.



“A safe and healthy working environment is a fundamental principle and right at work for all. KOSTAL Macedonia’s strategy supports the KOSTAL Group in advancing this right, reducing occupational fatalities, injuries and illnesses, and lowering related socio-economic costs.”

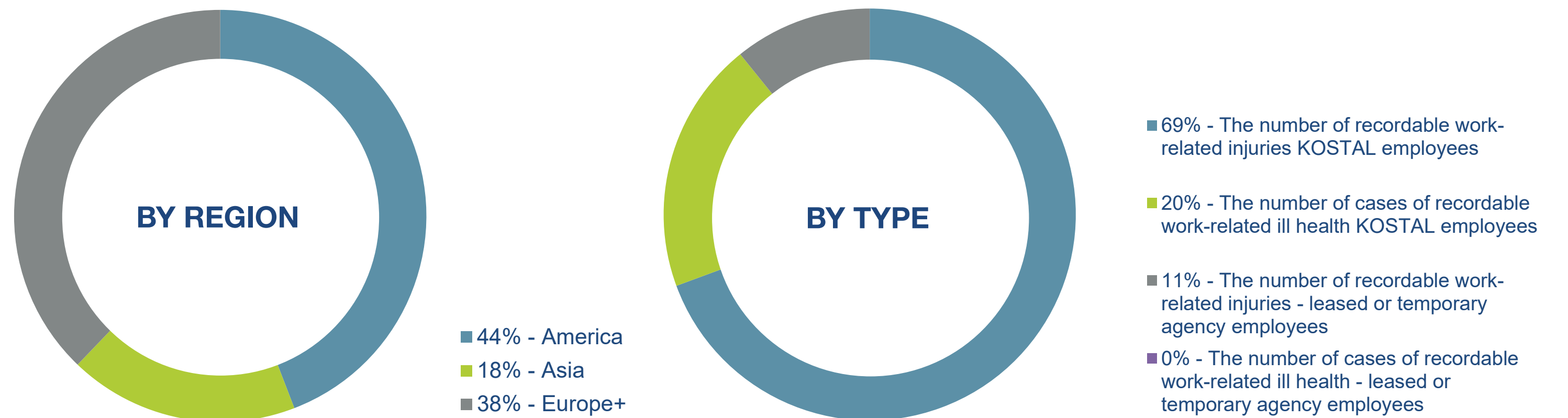
Viktor Dojchinovski, HR Manager at KOSTAL Macedonia



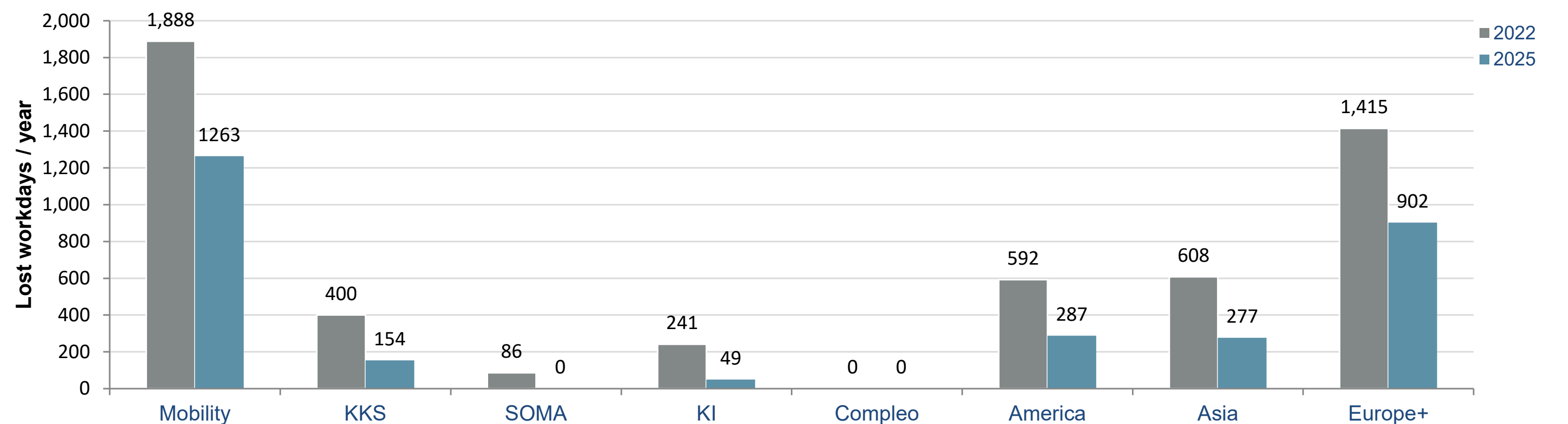
AT KOSTAL Ireland, employee choices continue to drive EHS performance and strengthen our safety culture, with a clear downward tendency in accident numbers, with only 4 accidents in 2025. This progress reflects daily behaviours such as planning work, assessing risk, using the correct PPE, following procedures, speaking up early, stopping when something does not look right, and reporting unsafe conditions and events. To sustain the momentum, we are expanding initiatives that strengthen leading indicators (safety observations and positive interventions, hazard identification and closure rates, and corrective action quality and verification), increase visible safety leadership (leadership safety walks, stronger daily safety communication through Level 2 meetings, and recognition of proactive behaviours), and improve hazard controls and standardisation through standard work, safe job procedures, routine risk assessments, and verification activities—supporting a continued shift from reacting to incidents to preventing them.

In the coming years, we will form a centralised health and safety team to adopt a more comprehensive approach to reducing accidents. To ensure health and safety risks are adequately addressed at the site level, health and safety organisations will be established at each location to lead and coordinate key activities related to health and safety management. Additionally, we will establish safety committees comprising management, employee representatives, if applicable, and the location’s HSE (health, safety, and environment) representative. These committees will be tasked with managing and monitoring occupational health and safety issues and implementing measures for continuous improvement.

WORK-RELATED INCIDENTS 2025



NUMBER OF LOST WORKDAYS





Near Miss and Hazard Reporting in Ireland

KOSTAL believes an environmentally, health and safety responsible workplace is the foundation of a strong business. In Ireland, we continuously strengthen our EHS standards to protect employees and support wellbeing, morale and productivity.

In May 2025, KOSTAL Ireland introduced an automated near miss and hazardous condition reporting process, designed and implemented by an internal team. The process supports early identification and mitigation of risks, enabling timely corrective actions and helping to prevent incidents before harm occurs.

Each report is managed through a defined RACI model: the employee's supervisor is Responsible for review and investigation, the area owner is Accountable for ensuring appropriate controls are implemented, the EHS Manager is Consulted, and relevant supervisors and Safety Representatives are Informed. Corrective actions are assigned as required and tracked to completion. Progress is monitored through weekly dashboards shared with Senior Management and relevant stakeholders, and employees can track the status of their submissions, supporting transparency and reinforcing confidence that reported concerns are reviewed and acted upon.



FROM AMBITION
TO ACTION



Employee development

We firmly believe that the foundation of our success lies in our global team of strong, qualified individuals and high-performing teams, whose stability, perseverance, humanity, and unique values drive innovation. Fostering a community of talented, engaged, fairly treated people who are encouraged to grow is key to our continued achievements.

Our Group is growing at a fast speed at multiple locations and we are dedicated to finding and nurturing talents who join our team. This is why we devote our resources to reach excellence in recruitment and employee development, which are also major pillars of our global HR strategy.

Our **employee development strategy** focuses on integrating learning into the daily workflow, making it accessible and convenient for employees and ensuring it has a meaningful impact. We empower managers and team leaders to work closely with their teams to support their growth and provide training opportunities.

Our Excellent Leadership Initiative (ELI) is our way to develop our top talents. In this talent

development system, we integrate individual career planning, to develop our people and succession planning, to ensure smooth business for the Group.

What we do for employee development

Annual goal-setting and performance appraisal practices

This process provides employees with an opportunity to manage their development and career progression and leaders to support them. By the end of 2024, this process (ELI Talents) has been rolled out in 21 KOSTAL locations and is being expanded to further locations and broader target groups





Tailor-made development programmes

We offer development opportunities for various target groups. In 2024, we introduced several initiatives for identified talents, including: a Global Mentoring Programme (50+ international pairs), a development programme for leading other leaders (20 selected talents), virtual dialogues with senior leaders (90+ participants in the first session), virtual exchanges with other organisations (20 KOSTAL participants globally), and a development centre for leadership roles. Talents from all regions participated in these programmes. For all leaders, we developed a curriculum of standardised training tailored to each leadership level. By the end of 2024, a needs analysis was completed, and external providers selected. Pilot programs for the “Leading People” group are planned for the first half of 2025.

Learning and development platform

With KOSTAL Talent and Learning Suite (KTLS), employees can find all training courses recently offered by KOSTAL in one platform. With the help of personalised learning experiences, the most suitable training courses are suggested to our colleagues. Employees can

register for training dates, pre-book for events, or view all eLearning directly on the platform.

Various trainings for our employees

We have implemented robust training, education, and communication programmes to reinforce ethical conduct and adherence to our standards, including compliance training on anti-corruption, anti-bribery, human rights, and related topics, with approximately 75% participation.

KOSTAL Group provides the Information Security Training programme as a key global initiative, ensuring compliance with the VDA ISA standard. The training is available in eight languages, reaches network users across 21 countries, and has around 70% completion rate, strengthening information security awareness and supporting ongoing compliance and employee engagement.

Sustainability training

The Sustainability Onboarding Training covers our corporate sustainability fundamentals. This training equips our employees with the knowledge and tools to actively engage in sustainability efforts and apply our sustainability vision in their daily work. We plan to make this training mandatory for specific functions within the company and recommend that HR departments incorporate it into the onboarding process for new employees. In 2025, more than 100 employees completed the training.





In 2025, KOSTAL further strengthened employee development by expanding leadership programmes and improving access to learning across the Group. We launched the Leadership Campus as our central, globally scalable platform for leadership development. It covers four development stages (“Leading Myself/Projects”, “Leading People”, “Leading Leaders”, “Leading Business”) and combines structured training with peer learning and exchange across regions via KTLS.

During the ramp-up phase, key programmes were rolled out in multiple European countries and delivered through face-to-face and virtual formats. The Leading People Core Journey trained 62 participants across five cohorts and delivered 372 participant days. The Leading Leaders Core Journey involved 26 participants (91 participant days) in two cohorts, while Understanding Financial Concepts reached 66 participants (148 participant days) with one cohort continuing in 2026.

KOSTAL Corporate Learning also advanced digital learning and accessibility. Content creation capabilities were expanded across 12 functions, the Global Information Security training was redesigned and translated into 12

languages, and 15 classroom trainings were converted into eLearning. Use of the professional development portfolio increased significantly in 2025, with more learners, higher engagement time, and more course completions. To support equal access, KTLS was extended to shopfloor environments, reaching five of six planned entities (Spain, Brazil, Ukraine, Bulgaria and Poland).

In addition, KOSTAL focused on leadership development and talent progression through initiatives like the Future Leading Leaders Programme, Corporate Mentoring, and virtual series. These programmes aim to cultivate leaders by offering training, mentorship, and feedback to enhance organisational capabilities and resilience.

In the coming years, employee development will remain a priority as we strive for excellence in all endeavors, with our talented workforce and culture of teamwork enabling us to meet this ambitious goal, while fostering excellence remains at the core of our commitment.



Driving sustainability through global training

To strengthen sustainability awareness across KOSTAL, we launched our first Global Sustainability Onboarding Training, equipping employees with the knowledge and tools to support our carbon neutrality goal by 2045.

Available to all employees with an online learning platform, the training highlights KOSTAL's sustainability commitments and practical ways to integrate a people-focused approach, energy efficiency, waste reduction, and responsible resource use into daily work. Recognising its importance, KBS Hungary has made it part of its onboarding process, ensuring new employees embrace sustainability from day one.

In 2025, 116 employees completed the training, further supporting the development of sustainability knowledge across the organisation. With its clear and user-friendly format, the programme is recommended for all KOSTAL sites to help build a shared sustainability mindset and drive meaningful action. In 2026, the training will be expanded to include local sustainability initiatives, strengthening its relevance and impact at site level.



FROM AMBITION
TO ACTION

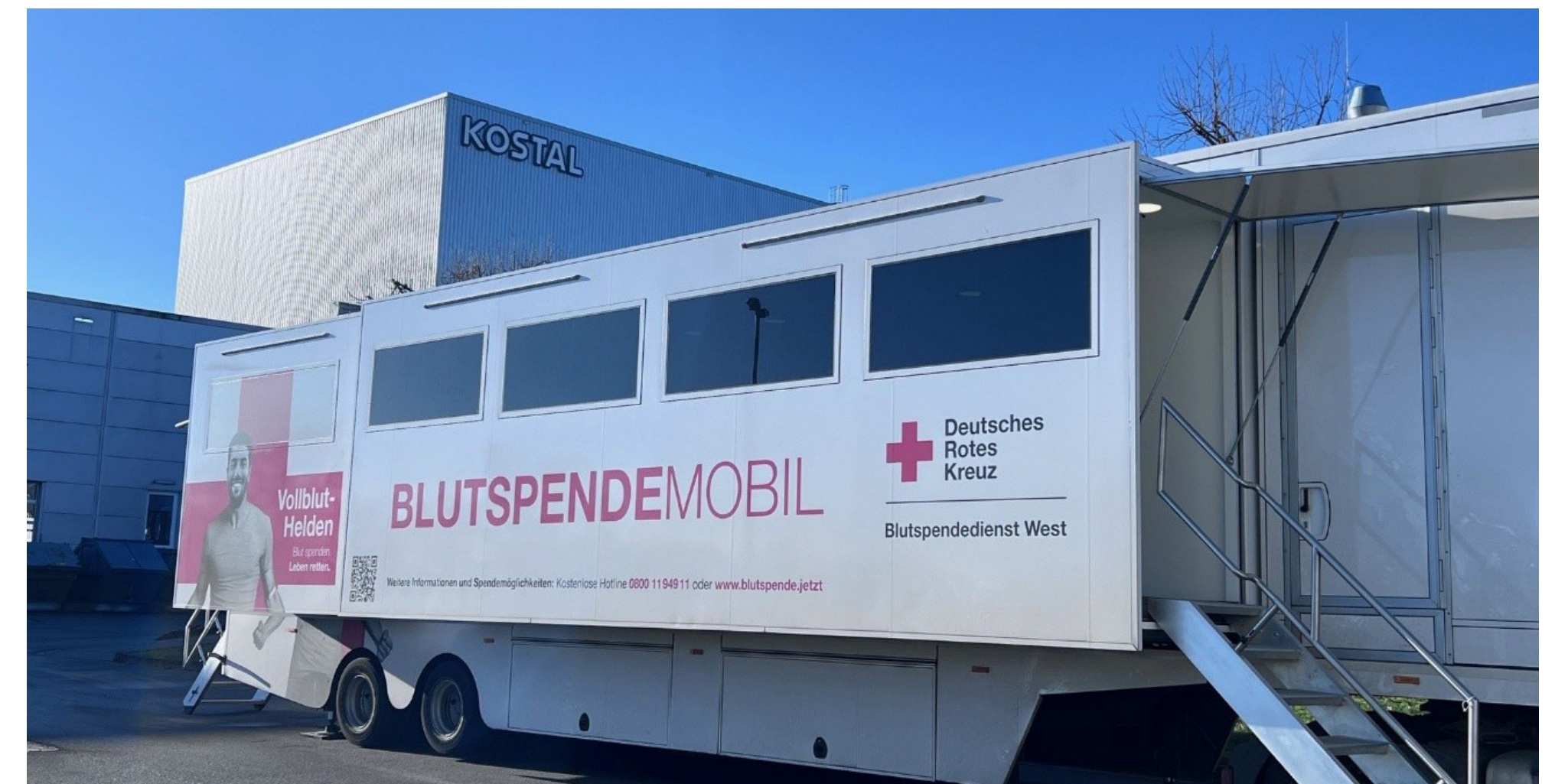


Employee and community engagement

We view employee engagement as vital for driving sustainability, as it encourages ownership and responsibility towards our ambitions. Engaged employees contribute ideas, take initiative, innovate and collaborate on sustainable practices, ensuring long-term, impactful outcomes.

In its corporate social responsibility (CSR) initiatives, KOSTAL focuses on endeavours that go beyond profit generation. We involve our employees in activities and create long-term programmes that prioritise the welfare of society and the environment. Our CSR efforts include organising events and activities aimed at increasing community engagement, preserving nature, addressing social issues and promoting sustainability to fostering a culture of engagement.

In line with the Sustainability Development Goals (SDGs), KOSTAL is committed to addressing social issues such as poverty, education, and healthcare in the communities where it operates. Through its HR departments and event organisation committees, the Group tailors initiatives to meet local needs, with the intensity and nature of these programmes varying by region. In countries like Brazil, Mexico, and India, KOSTAL focuses on volunteering opportunities against poverty and improving healthcare access. In regions such as Europe and China, the Group usually provides more programmes related to family, education, and mental health. By responding to the specific challenges of each community, KOSTAL helps create a positive and lasting impact.



KOSTAL Germany supports the local community with blood donation campaigns (top); KOSTAL Hungary creates a platform for collaborative thinking and knowledge sharing in sustainability (bottom)



KOSTAL also recognises and rewards employees through various recognition programmes and performance awards, emphasising the importance of embodying KOSTAL's core values. These initiatives not only celebrate individual achievements but also encourage employees to live the KOSTAL values, fostering a culture of excellence, commitment, and shared purpose across the organisation.

What we do for employee engagement

Local employee engagement campaigns

At many KOSTAL locations, we have a long tradition of organising events that connect employees and foster a sense of community. These events focus on education, donations, team-building, and forming committees, such as sports committees, often involving employees' families. For example, regular international football tournaments help strengthen our team spirit while promoting global networking. Informal gatherings also provide opportunities for different and diverse groups to connect and build friendships within the KOSTAL family. These initiatives play a key role in engaging employees and supporting their personal and professional development.

Global employee engagement campaigns for sustainability

We believe that a global, employee-focused sustainability initiative has the potential to unite us as one KOSTAL team, creating opportunities for colleagues around the world to support a shared purpose. Global sustainability campaigns have been organised since 2023 with the aim of sharing knowledge about sustainability-related topics with active engagement from our employees. These initiatives raise awareness, empower employees to contribute ideas, and support KOSTAL's long-term sustainability goals.

Our first campaign was E-Waste Weeks, which continues to be organised annually across multiple locations. The initiative focused on sharing knowledge about the value of electronic waste and the importance of recycling. It also served as an engaging activity, enabling employees to bring their household e-waste to the workplace and take part in a collection competition.

In 2025, the culture-shaping initiative was Sustainability Day. This event aims to raise awareness of KOSTAL's environmental and social impact, inform employees about the Sustainability Strategy and our progress, and emphasise the importance of individual contributions. To support sites in organising their own activities, an online toolbox was made available, offering ready-to-use materials to help deliver successful local sustainability events and engage teams effectively.

The Global Business Services offices (ONE KBS) jointly organised a Sustainability Day featuring expert presentations on KOSTAL's strategy, achievements, and compliance, followed by interactive workshops on greener living.





Involvement in local communities

We aim to make a positive impact on the communities where we operate. With our global presence, we support communities worldwide and encourage employees to engage in outreach and charitable activities. At our various locations, employees contribute their time and resources to support the communities where they live and work.

Employee opinion surveys

At several KOSTAL locations, we conduct employee opinion surveys to gather feedback and understand our employees' views. This helps provide valuable insights to our management. We plan to expand this survey across the entire KOSTAL organisation and conduct it every two years.

Transparent bilateral communication

We value transparent and two-way communication, offering various channels for employees to engage with leadership. These location- or region-specific practices may include

town halls, all-hands meetings, and company newsletters. Employees are encouraged to provide feedback on the Group's performance, discuss employee engagement, and highlight areas for improvement.

Long Service Award

At KOSTAL, fostering long-term collaboration is a core value. The high number of employees celebrating long service anniversaries and our very low turnover rate reflect the quality of the working environment. We recognise and celebrate outstanding performance and long-term commitment through the Long Service Award.

Recognising that different approaches work best in various cultures, countries, factories, and offices is key to achieving our sustainability goals. Local sustainability advocates are dedicated to ensuring that the social sustainability initiatives set at the Group level are implemented in their respective regions.

"If we build a society based on honouring the Earth, we build a society which is sustainable and has the capacity to support all life forms."

*Krishna Kumar, KP,
Manager-Plant Engineering & Maintenance-
Sustainability team, Sustainability Champion
of KOSTAL India*

KOSTAL India, winner of the Sustainability Impact Award 2025, 'Project with the greatest impact'.





In 2025, we carried out a company-wide employee survey on KOSTAL's sustainability initiatives. The findings informed our materiality assessment highlighting employees' perspectives on crucial strategic topics. A detailed summary of the survey results is provided on [page 16](#).

In 2025, based on the rapid improvements in corporate sustainability in the past years and the maturity level KOSTAL has reached, we introduced the **Sustainability Impact Awards**. These internal awards recognise individuals who drive sustainability locally and demonstrate exceptional dedication and reliability, serving as role models for all employees. The awards also highlight the year's most impactful and innovative project, encouraging and motivating sites to review their operations and pilot new ideas to improve sustainability performance. Finally, the awards recognise sites

that achieved the greatest year-on-year improvement, underscoring the importance of data accuracy and transparency.

In 2026, KOSTAL will strengthen engagement with both blue-collar and white-collar employees through the myKOSTAL application, using the platform to broaden dialogue around sustainability and other culture-shaping topics. We will also engage selected leadership groups, some of whom have only been partially involved in sustainability to date, to better understand their influence and further drive local sustainability efforts. This will be supported by site-specific strategic objectives defined for each location. To enable this, we will implement targeted events and training formats to build awareness, capabilities and momentum. We will also use the Enablon software to track objectives and progress.



Employee and community engagement

At KOSTAL, increasing sustainability awareness and strengthening community connections are integral to our engagement initiatives. Through various activities, we encourage employees to take an active role in shaping a more sustainable and inclusive workplace.

A key initiative was Sustainability Day for KOSTAL Business Services, hosted in Budapest and streamed to colleagues in Bulgaria and Ukraine. The event combined expert inputs on KOSTAL's sustainability strategy, long-term vision, divisional product achievements and the link between sustainability and compliance, with practical workshops (e.g., a greener-home discussion inspired by an employee-created magazine, DIY recycling and a sustainability quiz) to translate strategy into day-to-day actions.

Engagement activities also promote sustainable behaviours and wellbeing at site level. In Brazil, an interactive Earth Day activity ("Sustainability Basketball") helped reinforce correct waste separation and recycling, engaging around 500 employees. In Morocco, the Recycling Wood Event repurposed discarded pallets into outdoor furniture, supporting circular-economy thinking and creating shared spaces that foster wellbeing and connection. Community engagement included a school supply collection in Hungary to support children in need, and in India, initiatives such as a blood donation camp, health and wellness sessions, safety awareness activities and the "Vision for All" eye camp. Inclusion and health awareness were further supported through activities, including Women's Day and Pink October awareness sessions delivered in partnership with local stakeholders.



KOSTAL Brazil's Sustainability Basketball



FROM AMBITION
TO ACTION



KOSTAL



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About KOSTAL

The automotive sector plays an essential role in society and everyday life, acting as the foundation of transportation while driving extensive research, development, innovation, and expertise.

As an essential player in this landscape, we, the KOSTAL Group, take pride in our industry position, especially in being the driving force of the e-mobility transition.

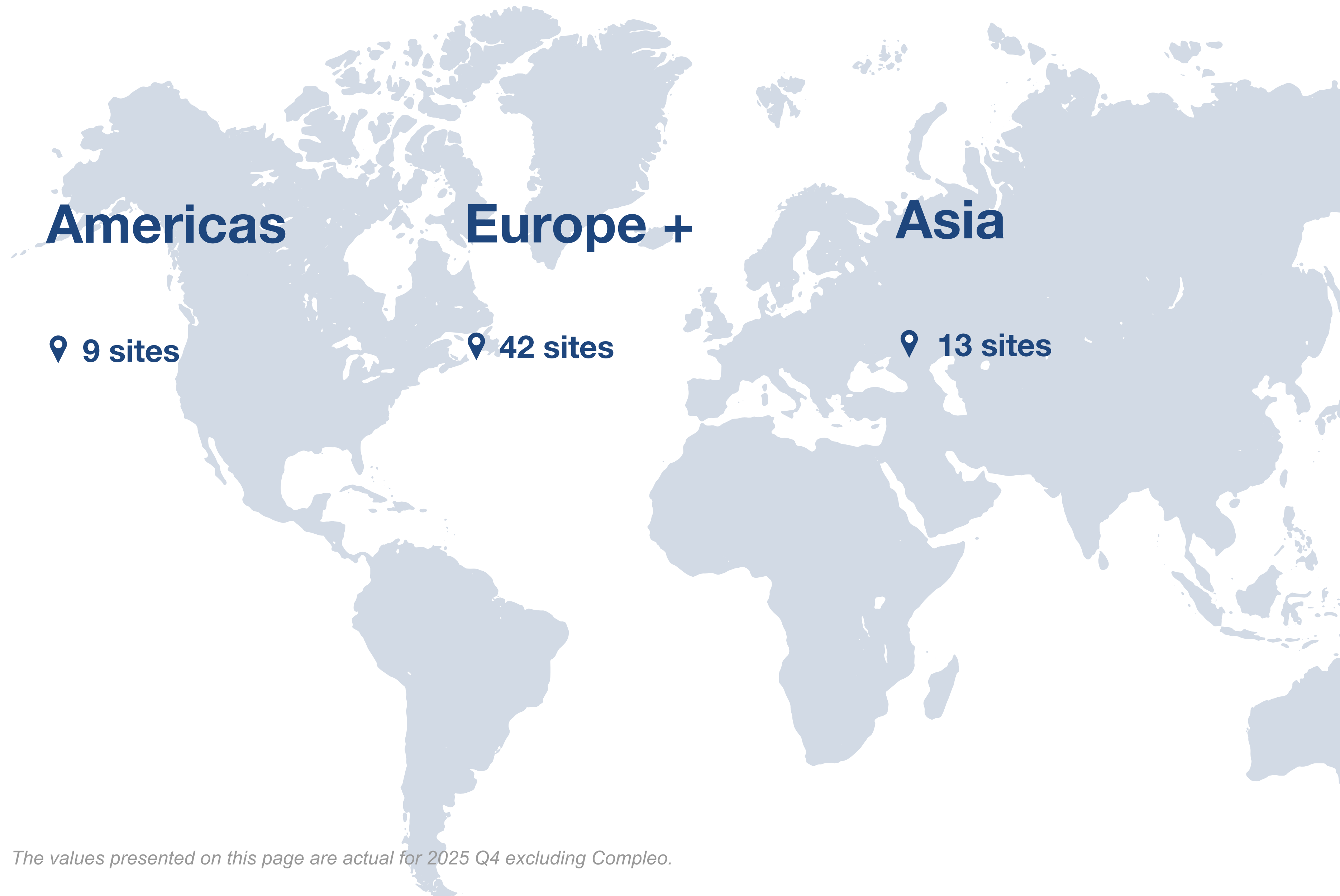
We are a global family-owned company with headquarters in Lüdenscheid, Germany, which develops and manufactures technologically complex electronic and mechatronic products. Our forte lies in the development and manufacturing of sophisticated electronic and mechatronic products. At the heart of our operations is a commitment to values that prioritise loyalty and sustainability.

We employ around 20,000 people at more than 64 locations in 22 countries, on five continents, offering flexible, knowledgeable, and customer-focused services. KOSTAL takes customer proximity literally. In 2025, the Group generated sales of 3.45 billion EUR.



Our forte lies in the development and manufacture of sophisticated electronic and mechatronic products.

At the heart of our operations is a commitment to values that prioritise loyalty, and sustainability.



6
divisions

3.45
billion EUR
turnover *

6 %
share of R&D
investment

20,020
KOSTAL
employees*

The values presented on this page are actual for 2025 Q4 excluding Compleo.



Family-run for four generations

For us, being a family-owned company means cherishing our history and our roots, being aware of our duties and responsibilities, and fostering a deep sense of belonging and purpose within our organisation.

FIRST GENERATION

1912



Leopold Kostal

Electrification

Sustainability and sparing use of resources are second nature to us.

We do what is necessary.

SECOND GENERATION

1935



Kurt Kostal

Motorisation

Sustainable ideas unite mankind and nature – all is one.

We form a bond, and the bond is binding.

THIRD GENERATION

1972



Helmut Kostal

Globalisation

We are an environmentally-sound organisation taking sustainable and effective actions.

We do things with feeling.

FOURTH GENERATION

2008



Andreas Kostal

Energy Efficiency

Our over 100-year history is proof that we, as a family business, can act sustainably and on a long-term basis.

We shape the future today.



Our Values

The KOSTAL Values are transmitted into all business divisions but are centrally coordinated. Sustainability is closely linked to our values and is reflected in our people-centred approach:

**'We have our feet on the ground',
'We are decent',
'We shape the future today'.**

Therefore, our sustainability efforts and strategies are deployed identically in all business streams. Our sustainability governance structure is there to ensure the alignment between divisions, allocation of focus, and resources.



We have our feet on the ground.



We are decent.



We make it easy.



We do things with feeling.



We do what is necessary.



We form a bond, and the bond is binding.



We encourage people to achieve what we expect.



We are moved by what we do and aim to move others.



What we do, we do with conviction.



We shape the future today.



One family business united by our business divisions

Automobil Elektrik & Electro Mobility

Energy and Empathy

Energising mobility and embedding people. Two products and innovation cornerstones, but one global team. With KOSTAL know-how in mechatronic systems and energy-related vehicle solutions, and through successful collaborations with original equipment man-

ufacturers (OEMs), KOSTAL Automobil Elektrik (KAE) and KOSTAL Electro Mobility (KEM) jointly create efficient and innovative solutions for electromobility and for the driving concepts of the future.

The success of both divisions is reflected in KOSTAL's position as a global market leader in significant and complex products such as steering column modules, shift-by-wire systems and door control units, as well as near-battery systems for onboard charging, power conversion and vehicle-to-grid integration.

- Comfort Electronics
- Electro Mobility
- Comfort Controls
- Drive Controls
- Terminals
- Connectors

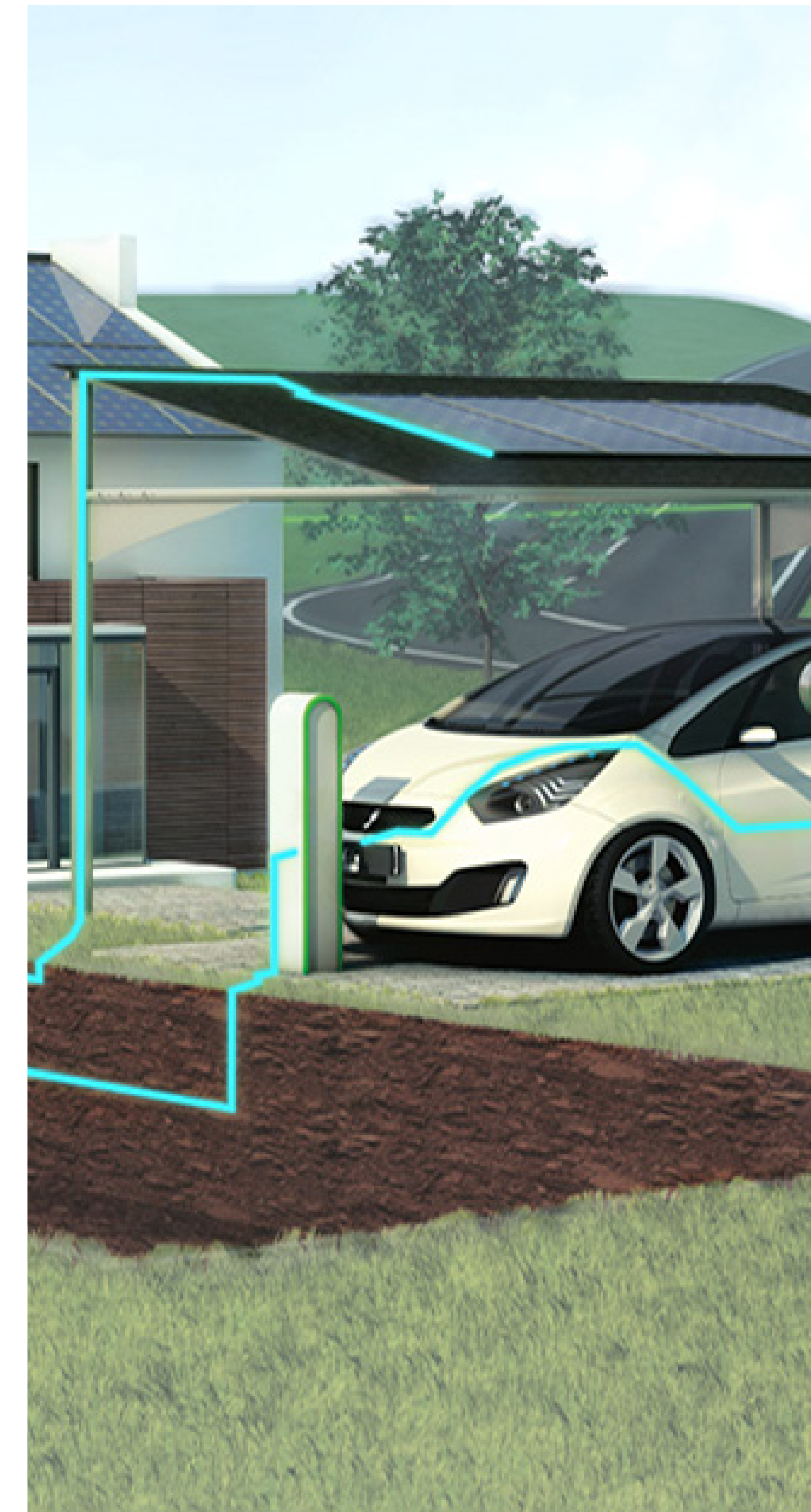
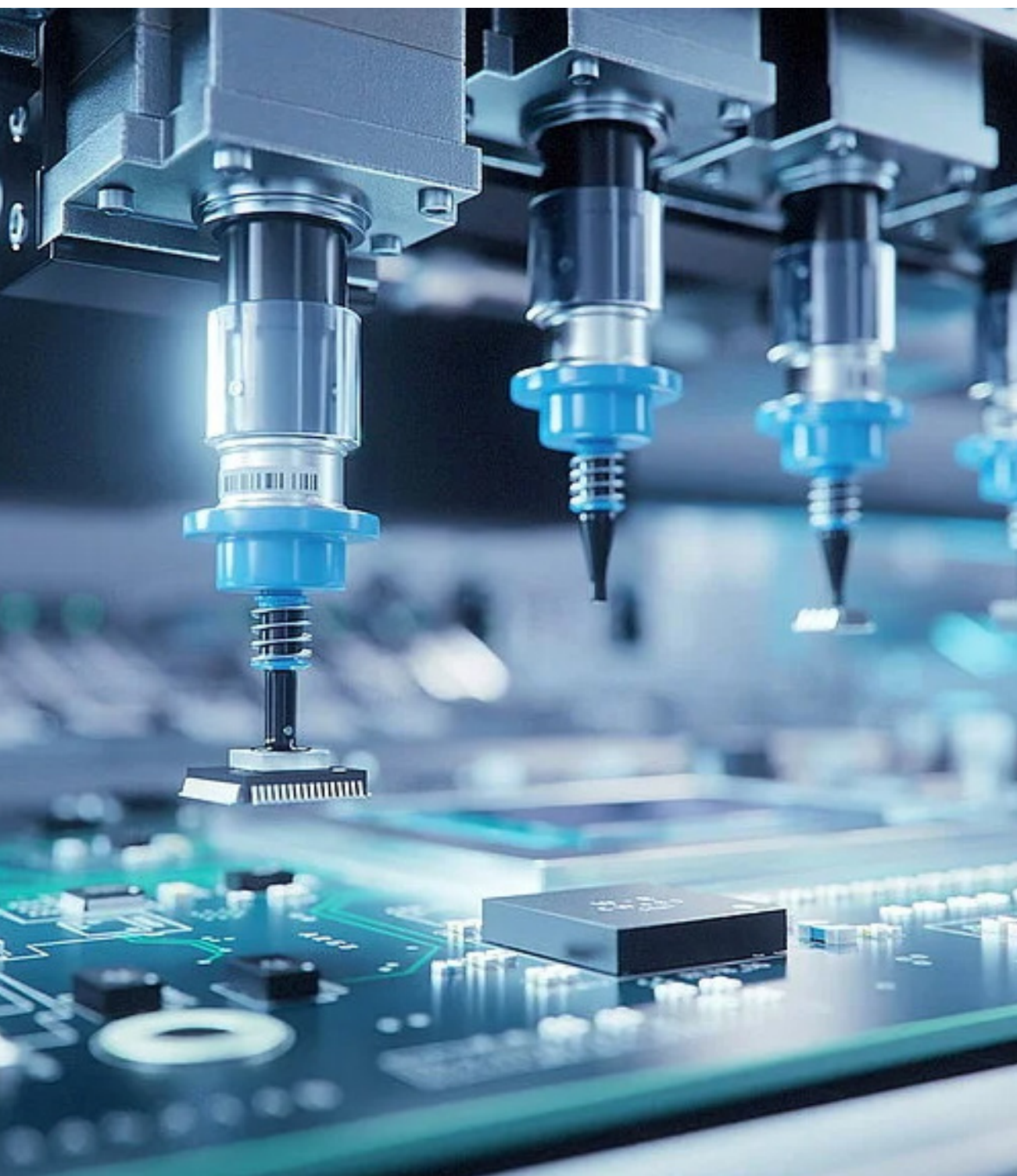
Industrie Elektrik

Smart Connections

KOSTAL Industrie Elektrik (KI) offers innovative solutions in four product fields: solar inverters, charging solutions, frequency converters and electronics for different customer applications. In this division, development expertise is smartly combined with the KOSTAL Group's know-how.

We are proud that our products and innovations also contribute to the expansion of clean energy use. KOSTAL is a leading supplier of inverters and storage systems.

- Photovoltaics
- Drives
- Electronics





Test Technology (SOMA)

Precision

Testing, automating, and metering – the three core product fields of SOMA.

SOMA GmbH has been a supplier of industry and product-specific testing and automation systems for mechatronic and electronic products for over 50 years.

SOMA also produces innovative and patented dosing technology for industrial lubricants and digital assistance systems for worker guidance in assembly, production, and packaging. In 2024, SOMA developed a concept for testing various products and variants from different customers on a fully automated line (flexCube).

- **Test Technology & Automation**
- **Dosing Technology**
- **Worker Assistance**

Compleo

Power to Move

In 2023, the KOSTAL Group completed the acquisition of the entire operational business of the Compleo Group. Compleo, with its two existing divisions of charging technology hardware and charging technology software, will remain independent as a brand and company under the umbrella of the KOSTAL Group.

Compleo is one of the leading full-service providers of charging technology for electric vehicles in Europe and has been one of the pioneers of electromobility since its foundation in 2009: Compleo's vision is to accelerate electromobility as the most convenient and sustainable way of travelling for everyone. Compleo's products are the crucial link between consumers' mobility needs and the transition to a decentralised, decarbonised energy ecosystem. By the end of 2025, Compleo will have calculated the CO₂ footprint of its major products, DUO and eTower.

- **Compleo Charging**
- **Vaylens**





The KOSTAL Supplier Award, EU+ region

KOSTAL reinforced its commitment to “Enhancing People’s Mobility Experience – for Generations,” through the presentation of the KOSTAL Supplier Award for the Mobility segment in the EU+ region. The event brought together partners and experts from across the business to recognise outstanding supplier performance, strengthen collaboration, and set new expectations for innovation, agility and sustainability in mobility.

A key feature of the programme was a series of keynote speeches from senior leaders who shared perspectives on future products and wider industry developments. KOSTAL congratulated all award recipients and thanked suppliers for their commitment and constructive partnership, underlining the company’s focus on building a competitive and future-ready mobility value chain together with its partners.





Industry trends in 2025

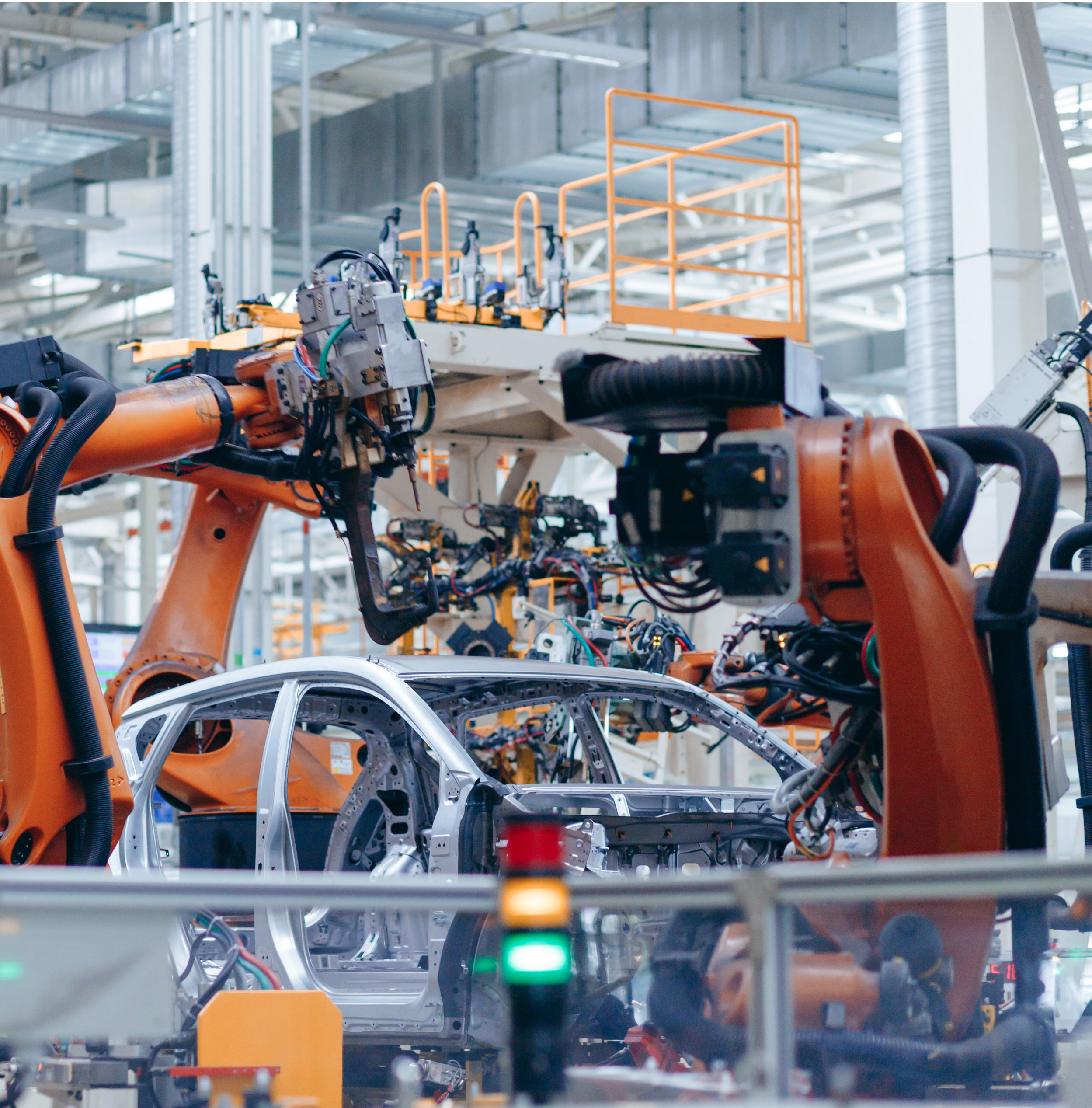
In 2025, industries continue to evolve under the pressures of sustainability, economic realities, and technological advancements.

In the automotive industry, electrification remains the dominant trend, but the transition to electric vehicles (EVs) is progressing slower than expected due to ongoing cost pressures, battery supply chain challenges, and intense competition, particularly from Asian manufacturers. The demand for mid-market EVs priced between £25,000 and £35,000 is increasing, driven by consumer interest in affordable options and supported by government incentives. However, challenges such as range anxiety, the pace of charging infrastructure development, and the rising cost of raw materials like lithium and cobalt remain significant barriers. Advances in solid-state battery technology are expected to help overcome some of these challenges by improving range and reducing charging times, accelerating the transition to electric mobility.

The EV charging infrastructure market is expanding rapidly in response to the growing adoption of electric vehicles. By 2025, the number of public charging stations is expected to increase significantly, and innovations in ultra-fast and wireless charging technologies are helping to overcome barriers to EV adoption. In parallel, home charging solutions are becoming more integrated with smart home systems, allowing consumers to optimise energy consumption and reduce costs. The continued development of charging infrastructure and technology will play a critical role in supporting the global transition to electric mobility.

In the electronics industry, the demand for smart, connected devices powered by Artificial Intelligence (AI) and the Internet of Things (IoT) continues to grow. Companies are focusing on energy efficiency and security as consumers prioritise environmentally friendly products. The global semiconductor shortage, which has affected product availability for several years, is gradually easing, although supply chain disruptions persist due to geopolitical tensions. At the same time, regulatory pressures are increasing, with companies being required to provide transparent ESG data. This is driving manufacturers to embed sustainability into their operations and product design, as it becomes a baseline expectation for consumers and regulators alike.





In the solar industry, adoption continues to accelerate as both residential and commercial customers seek energy independence and cost savings. Innovations in photovoltaic (PV) cells and energy storage solutions are making solar energy more accessible and cost-effective. However, challenges such as high upfront installation costs, inconsistent regulatory frameworks, and a shortage of skilled labour persist. As the demand for solar energy rises, there is also increased pressure on manufacturers and suppliers to improve their sustainability performance and meet the growing expectations for ESG transparency.

Across all industries, the focus is shifting from ambitious sustainability targets to practical execution and measurable impact. Companies are expected to balance innovation with operational efficiency, while embedding sustainability into their core operations. As consumer expectations and regulatory requirements continue to rise, businesses must ensure that their sustainability commitments are not only aspirational but also deliver tangible, long-term results.

Sources Used:

1. *McKinsey & Company - Automotive industry electrification trends, challenges, and cost pressures.*
2. *Gartner - Insights on consumer electronics, AI, and IoT growth, as well as energy efficiency trends.*
3. *International Energy Agency (IEA) - EV adoption and charging infrastructure development.*
4. *Bloomberg New Energy Finance (BNEF) - Solar energy market trends, cost reductions, and adoption rates.*
5. *EcoVadis - ESG performance and supply chain transparency in various industries.*
6. *PwC - Sustainability strategies, ESG integration into business operations.*
7. *Solar Power World - Innovations in solar technologies and market growth.*



Environmental data

Performance indicator – ENVIRONMENT	Unit	Group		Mobility		KKS		SOMA		KI		Compleo		America		Asia		Europe +	
		2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025
RESOURCE EFFICIENCY																			
ENERGY CONSUMPTION																			
Total fuel	[MWh]	26,798*	20,892	21,561*	15,661	3,236*	2,718	362*	315	1,639*	15,56	0	641	3,299*	2,069	3,415*	3,343	20,085*	15,481
Total purchased non-renewable electricity	[MWh]	109,774*	86,923	101,594*	72,634	8,179*	12,983	0	0	0	1,305	0	0	31,659*	32,293	56,538*	17,704	21,576*	36,926
Total purchased renewable electricity	[MWh]	66,019*	91,637	49,481*	75,338	13,410*	12,787	134	146	2,994	3,107	0	259	6,696	7,407	0	43,866	59,323*	40,363
Total renewable electricity generation	[MWh]	244	3,523	73	3,127	115	115	0	0	56	282	0	0	0	0	73	2,827	171	696
ENERGY INTENSITY																			
Total energy consumption	[MWh]	203,175*	203,598	173,047*	16,7320	24,943*	28,638	496*	489	4,688*	6,251	0	901	41,653*	41,769	60,335*	68,026	101,186*	93,803
Energy intensity	[MWh]/million €	62.1*	59.0	60.6*	59.6	78.5*	79.2	44.8*	25.0	28.3*	58.6	-	12.4	-	-	-	-	-	-
DECARBONISATION																			
GHG EMISSION																			
Scope 1 emission	[t CO ₂ eq]	11,538*	7,483	9,736*	5,827	934*	818	115*	90	752*	605	0	144	902*	555	2,838*	958	7,797*	5,971
Scope 2 emission	[t CO ₂ eq]	56,987*	38,280	53,782*	31,335	3,205*	6,099	0	0	0	845	0	0	12,699*	12,982	34,782*	11,140	9,506*	14,157
Scope 1+2 emission	[t CO ₂ eq]	68,524*	45,763	63,518*	37,161	4,139*	6,917	115*	90	752*	1,450	0	144	13,601*	13,537	37,620*	12,098	17,303*	20,128
CARBON INTENSITY																			
Scope 1+2 emission	[t CO ₂ eq]	68,524*	45,763	63,518*	37,161	4,139*	6,917	115*	90	752*	1,450	0	144	13,601*	13,537	37,620*	12,098	17,303*	20,128
Carbon intensity	[t CO ₂ eq]/million €	20.9*	13.3	23.7*	13.2	13.0*	19.1	10.4*	4.6	4.5*	13.6	-	2.0	-	-	-	-	-	-
WASTE GENERATION																			
WASTE																			
Total generated waste	[t]	10,346*	12,113	7,783	8,786	2,223	2,859	14	21	327	329	0*	117	2,800	2,960	1,867*	2,160	5,679	6,993
Waste intensity	[t]/million €	3.2*	3.5	2.9*	3.1	7.0*	7.9	1.2*	1.1	2.0*	3.1	-	1.6	-	-	-	-	-	-

The values presented on this table are actual for 2025 Q4. Compleo was acquired in 2023. 2022 = baseline.

*Changes have been made to the baseline data due to internal data verification carried out between 2023-2025.



Performance indicator – Environment	Unit	Group		KAE		KKS		SOMA		KI		Compleo		America		Asia		Europe +	
		2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025
TOTAL WASTE GENERATED ⁵																			
Non-hazardous composting	[t]	17	137	17	127	0	0	0	0	0	10	-	0	0	80	6	9	10	48
Non-hazardous reuse	[t]	24	294	24	294	0	0	0	0	0	0	-	0	0	91	24	175	0	28
Non-hazardous recycling	[t]	7,143*	8,604	4,857*	5,614	1,998	2,630	10	17	277	285	-	57	1,977	1,928	1,431*	1,406	3,735	5,269
Non-hazardous incineration with energy recovery	[t]	1,351*	1,238	1,209*	1,124	106*	96	4*	4	33*	15	-	0	0	70	0	0	1,351	1,168
Non-hazardous incineration - without energy recovery	[t]	122*	114	88*	110	34	3	0	0	0	0	-	0	0	0	88*	114	34	0
Non-hazardous landfill	[t]	947	599	902	443	45	88	0	0	0	7	-	60	660	392	0	0	287	207
Non-hazardous other disposal method	[t]	0	245	0	245	0	0	0	0	0	0	-	0	0	245	0	0	0	0
Total non-hazardous waste generated	[t]	9,603*	11,230	7,096*	7,958	2,184	2,817	14	21	310	317	-	117	2,636	2,807	1,548*	1,703	5,418	6,720
Hazardous reuse	[t]	0	0	0	0	0	0	0	0	0	0	-	0	0	0	0	0	0	0
Hazardous recycling	[t]	197	384	146	347	37	37	0	0	14	0	-	0	33	34	87	119	77	230
Hazardous incineration - with energy recovery	[t]	279	325	276	322	0	3	0	0	3	0	-	0	64	81	172	233	43	12
Hazardous incineration - without energy recovery	[t]	111	12	109	10	2	2	0	0	0	0	-	0	0	0	0	1	111	10
Hazardous landfill	[t]	42	23	42	23	0	0	0	0	0	0	-	0	27	23	0	0	15	0
Hazardous other disposal method	[t]	114	138	114*	127	0	0	0	0	0	12	-	0	39*	15	60*	103	15*	20
Total hazardous waste generated	[t]	743	882	687	828	39	42	0	0	17	12	-	0	163	153	319	457	261	273
WATER CONSUMPTION																			
TOTAL WATER WITHDRAWAL																			
Water withdrawal	[m ³]	377,813*	370,276	367,099*	344,084	7,940	22,261	311	339	2,463	3,112	-	480	43,077	41,931	238,566*	244,840	96,170	83,505
Water intensity	[m ³ /million €]	115.5*	107.2	137.0*	122.6	25.0*	61.5	28.1*	17.3	14.9*	29.2	-	6.6	-	-	-	-	-	-

The values presented on this table are actual for 2025 Q4.

Compleo was acquired in 2023.

2022 = baseline.

* Changes have been made to the baseline data due to internal data verification carried out in 2023 and 2024:

In 2023, non-hazardous waste composted was reduced due to a correction.

In 2023, non-hazardous reused waste was significantly reduced due to reclassification of waste treatment (recycled).

In 2023, hazardous waste incineration without energy recovery was increased due to unit error corrected.

In 2023, hazardous waste other method increased due to missing information.

Only manufacturing sites are in scope. In 2023-2025, only manufacturing sites are in the scope of water withdrawal data.

In 2024, Enablon software was introduced, which resulted in changes to the baseline in the resource efficiency and decarbonisation indicator categories.

In 2025, Compleo production was restructured.



Employee data

Performance indicator – SOCIAL	Unit	Group		Mobility		KKS		SOMA		KI		Compleo		America		Asia		Europe +	
		2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025
EMPLOYEE DATA																			
Total employees by regions	No.	19,123	20,020											4,356	4,276	5,241	5,001	9,526	10,743
Total employees in the business divisions	No.	19,123	20,020	16,933	17,052	1,551	1,594	83	93	556	528	-	282						
Female employees	%	45	45	42	47	28	31	12	13	28	29	-	-	58	56	46	45	39	81
Male employees	%	55	54	58	52	72	69	88	87	72	64	-	-	42	44	54	53	61	59
Employees under 30	%	25	18	26	18	14	16	14	24	15	9	-	-	32	27	33	13	17	16
Employees 30-50	%	56	59	57	60	53	53	47	41	52	46	-	-	53	55	65	83	53	51
Employees over 50	%	19	22	17	20	33	31	39	34	33	38	-	-	15	19	2	2	30	31
Total number of training hours	[h]	-	2,905,504	-	2,128,299	-	766,458	-	515	-	5,548	-	-	-	121,453	-	83,478	-	2,700,573
Training hours per employee	[h]	-	154	-	133	-	417	-	6	-	10	-	-	-	29	-	19	-	262
Number of employees left the company in the reporting year	No.	-	2,743	-	2,499	-	123	-	2	-	81	-	-	-	967	-	431	-	1,345
Employee turnover in the reporting year	%	-	15	-	16	-	7	-	2	-	15	-	-	-	23	-	10	-	13
Number of discrimination / harassment incidents	No.	-	1	-	1	-	0	-	0	-	0	-	-	-	0	-	0	-	1
Number of employee complaints	No.	-	45	-	31	-	1	-	0	-	0	-	-	-	8	-	9	-	28
Number of severe human rights incidents	No.	-	0	-	0	-	0	-	0	-	0	-	-	-	0	-	0	-	0

Compleo was acquired in 2023.

2022 = baseline.

Due to internal reallocation within the KOSTAL Group, we are unable to provide HR-specific information for Compleo.



Performance indicator – SOCIAL	Unit	Group		KAE		KKS		SOMA		KI		Compleo		America		Asia		Europe +	
		2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025	2022	2025
Amount of employee-related penalties, fines or compensation	No.	-	1	-	1	-	0	-	0	-	0	-	-	-	0	-	0	-	1
Total number of community engagement programs in the reporting year	No.	-	190	-	142	-	0	-	0	-	0	-	-	-	32	-	39	-	119
Total number of employees with disabilities (all employment type)	No.	-	588	-	365	-	120	-	2	-	100	-	-	-	21	-	4	-	563
Percentage of workforce covered by collective bargaining agreements	%	-	68	-	71	-	53	-	100	-	85	-	-	-	64	-	89	-	60
HEALTH AND SAFETY																			
Number of recordable accidents	No.	103	90	75	61	24	47	2	0	2	5	-	1	27	31	16	20	60	38
Recordable incident rate	[no of incidents/100 employees]	0.74*	0.68	0.40*	0.58	0.10*	2.94	0.00*	0.00	0.0*	1.00	-	-	0.1*	1.36	0.8	0.47	0.3*	0.49
TRIR	200000* [no of incidents/working hours]	-	0.71	-	0.60	-	3.4	-	0	-	1.07	-	-	-	1.8	-	0.4	-	0.6
Work related ill health cases	No.	39	22	35	22	4	0	0	0	0	0	-	0	4	18	22	0	13	4
Work related fatalities	No.	0	0	0	0	0	0	0	0	0	0	-	0	0	0	0	0	0	0

The values presented on this table are actual for 2025 Q4.

Compleo was acquired in 2023.

2022 = baseline.

*Changes have been made to the baseline data due to recalculation in 2024.

There is no held gender and age information about temporary workers at KOCHI.



GRI Standard

Statement of Use	Leopold KOSTAL GmbH & Co. KG has reported the information cited in this GRI content index for the period 01.01.2025 - 31.12.2025 with reference to the GRI Standards.
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GRI 1 used in 2021	GRI 1: Foundation 2021
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GRI 2: General Disclosures 2021	2-1 Organisational details	About KOSTAL	108
	2-2 Entities included in the organisation’s sustainability reporting	List of reported companies	129
	2-3 Reporting period, frequency and contact point	About this report	135
	2-4 Restatements of information	N/A	N/A
	2-5 External assurance	About this report	135
	2-6 Activities, value chain and other business relationships	About KOSTAL	108
	2-7 Employees	Working at KOSTAL	90
	2-8 Workers who are not employees	Working at KOSTAL	90
	2-9 Governance structure and composition	Sustainability governance	8
	2-10 Nomination and selection of the highest governance body	Sustainability governance	8
	2-11 Chair of the highest governance body	Sustainability governance	8
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability governance	8
	2-13 Delegation of responsibility for managing impacts	Sustainability governance	8
	2-14 Role of the highest governance body in sustainability reporting	Sustainability governance	8
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	3-2 List of material topics	Materiality and stakeholder engagement	13
	3-3 Management of material topics	Materiality and stakeholder engagement	13
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Compliance and ethics	29
	205-2 Communication and training about anti-corruption policies and procedures	Compliance and ethics	29
	205-3 Confirmed incidents of corruption and actions taken	Compliance and ethics	29
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance and ethics	29
GRI 301: Materials 2016	301-2 Recycled input materials used	Sustainable product design	75
	301-3 Reclaimed products and their packaging materials	N/A	N/A
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy consumption	60
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GRI 303: Water and Effluents 2016	303-1 Interactions with water as a shared resource	Water	71
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	305-4 GHG emissions intensity	Decarbonisation	51
	305-5 Reduction of GHG emissions	Decarbonisation	51
	305-6 Emissions of ozone-depleting substances (ODS)	Decarbonisation	51
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Decarbonisation	51
	GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste
306-2 Management of significant waste-related impacts		Waste	66
306-3 Waste generated		Waste	66
306-4 Waste diverted from disposal		Waste	66
306-5 Waste directed to disposal		Waste	66
GRI 401: Employment 2020	401-1 New employee hires and employee turnover	Working at KOSTAL	90
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Working at KOSTAL	90
	401-3 Parental leave	N/A	N/A
GRI 403: Occupational Health and Safety 2016	403-1 Occupational health and safety management system	Health and safety	93
	403-2 Hazard identification, risk assessment, and incident investigation	Health and safety	93
	403-3 Occupational health services	Health and safety	93
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety	93
	403-5 Worker training on occupational health and safety	Health and safety	93
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	403-8 Workers covered by an occupational health and safety management system	Health and safety	93
	403-9 Work-related injuries	Health and safety	93
	403-10 Work-related ill health	Health and safety	93
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Employee development	98
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee development	98
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability governance; Working at KOSTAL	8; 90
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainability on our supply chain	33
	414-2 Negative social impacts in the supply chain and actions taken	Sustainability on our supply chain	33
GRI 415: Public Policy 2016	415-1 Political contributions	N/A	N/A
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Sustainable product design	75
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	N/A	N/A
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Sustainability product design	75



ESRS (CSRD) index

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Reported companies

Company	Legal name and Address	Americas	Asia	Europe +	Head office	Production	R&D, Engineering	Sales, Business Services
Automobil Elektrik – Brazil	KOSTAL Eletromecânica Ltda. São Bernardo do Campo – SP, Brazil	●					●	●
Automobil Elektrik – Brazil	KOSTAL Eletromecânica Ltda. Cravinhos – SP, Brazil	●				●	●	●
Automobil Elektrik – Brazil	KOSTAL Eletromecânica Ltda. Winston Churchill – SP, Brazil	●				●	●	●
Automobil Elektrik – Bulgaria	KOSTAL Sofia Soft Bulgaria EOOD Sofia, Bulgaria			●			●	
Automobil Elektrik – Bulgaria	KOSTAL Bulgaria Automotive EOOD Pazardzhik, Bulgaria			●		●	●	
Automobil Elektrik – China	KOSTAL (Shanghai) Management Co., Ltd. Shanghai, China		●			●	●	●
Automobil Elektrik – China	Shanghai KOSTAL, Huayang Automotive Electric Co., Ltd. Shanghai, China		●			●		
Automobil Elektrik – China	KOSTAL (Shanghai) Mechatronic Co., Ltd., Shanghai, China		●			●		
Automobil Elektrik – China	KOSTAL (Changchun) Automotive Electric Co., Ltd. Changchun, China		●			●		
Automobil Elektrik – China	KOSTAL (Guiyang) Mechatronic Co., Ltd. Guizhou, China		●			●		
Automobil Elektrik – China	KOSTAL (Bao Ding) Mechatronic Co., Ltd. Baoding, Hebei Province, China		●			●		
Automobil Elektrik – China	KOSTAL (Shanghai) Intelligent Equipment Co., Ltd. Shanghai, China		●			●		
Automobil Elektrik – Germany	KOSTAL Automobil Elektrik GmbH & Co. KG Lüdenscheid, Germany			●	●		●	●
Automobil Elektrik – Germany	KOSTAL Automobil Elektrik GmbH & Co. KG Dortmund, Germany			●			●	
Automobil Elektrik – Germany	KOSTAL Automobil Elektrik GmbH & Co. KG Meinerzhagen, Germany			●		●		
Automobil Elektrik – Germany	KOSTAL Automobil Elektrik GmbH & Co. KG Munich, Germany			●				●

Company	Legal name and Address	Americas	Asia	Europe +	Head office	Production	R&D, Engineering	Sales, Business Services
Automobil Elektrik – Germany	KOSTAL Automobil Elektrik GmbH & Co. KG Sindelfingen, Germany			●				●
Automobil Elektrik – Germany	KOSTAL Automobil Elektrik GmbH & Co. KG Ingolstadt, Germany			●				●
Automobil Elektrik – Germany	KOSTAL Automobil Elektrik GmbH & Co. KG Wolfsburg, Germany			●				●
Automobil Elektrik – Great Britain	KOSTAL UK Ltd. Sheffield, United Kingdom			●				●
Automobil Elektrik – France	KOSTAL France Guyancourt, France			●				●
Automobil Elektrik – India	KOSTAL India Private Limited Tamil Nadu, India		●			●	●	●
Automobil Elektrik – Ireland	KOSTAL Ireland Gmbh Mountmahon, Abbeyfeale Co. Limerick, Ireland			●		●		
Automobil Elektrik – Ireland	KOSTAL Ireland GmbH Mallow, Co. Cork, Ireland			●		●		
Automobil Elektrik – Italy	KOSTAL Italia s. r. l. Turin, Italy			●				●
Automobil Elektrik – Japan	KOSTAL Japan Co., Ltd. Hiroshima, Japan		●					●
Automobil Elektrik – Japan	KOSTAL Japan Co., Ltd. Kawasaki City, Japan		●				●	●
Automobil Elektrik – Korea	KOSTAL Korea Ltd. Seoul, Korea		●				●	●
Automobil Elektrik – North Macedonia	KOSTAL MAKEDONIJA DOOEL Ohrid, North Macedonia			●		●		
Automobil Elektrik – Mexico	KOSTAL Mexicana S. A. de C. V. Acambaro, Mexico	●				●		
Automobil Elektrik – Mexico	KOSTAL Mexicana, S.A. de C.V. Querétaro, Mexico	●				●	●	
Automobil Elektrik – Mexico	KOSTAL Electro Mobility Mexicana Querétaro, Mexico	●				●		
Automobil Elektrik – Mexico	KOSTAL Automotive Services Mexicana, S.A. DE C.V. Santiago de Querétaro, Gro., Mexico	●					●	●
Automobil Elektrik – Morocco	KOSTAL Maroc, SARL. AU Zone Tanger, Morocco			●		●		
Automobil Elektrik – Poland	KOSTAL Automotive Poland Sp. Z o.o. Świdnik, Poland			●		●		



Company	Legal name and Address	Americas	Asia	Europe +	Head office	Production	R&D, Engineering	Sales, Business Services
Automobil Elektrik – Poland	KOSTAL Automotive Research & Development Center Poland Sp. z o.o. Wroclaw, Poland			●			●	
Automobil Elektrik – Sweden	KOSTAL Sweden AB Gothenburg, Sweden			●			●	●
Automobil Elektrik – Spain	KOSTAL Eléctrica, S. A. Barcelona, Spain			●		●	●	
Automobil Elektrik – Czechia	KOSTAL Engineering CR, spol. s r.o. Prague, Czech Republic			●			●	
Automobil Elektrik – Ukraine	KOSTAL Ukraine LLC. TOV Boryspil, Ukraine			●			●	
Automobil Elektrik – Ukraine	KOSTAL Ukraine LLC. TOV Pereyaslav, Ukraine			●		●		
Automobil Elektrik – USA	KOSTAL of America, Inc. Troy, MI, USA	●					●	●
Connectors – Germany	KOSTAL Kontakt Systeme GmbH Lüdenscheid, Germany			●	●	●	●	●
Connectors – China	KOSTAL (Shanghai) Kontakt Systeme Manufacturing Co., Ltd Shanghai, China		●			●	●	●
Connectors - Korea	KOSTAL Connectors Korea Co., Ltd Seoul, South Korea		●					●
Connectors – Czechia	KOSTAL Kontakt Systeme GmbH Jinco, Czech Republic			●		●	●	●
Connectors – Great Britain	KOSTAL UK Ltd. Sheffield, United Kingdom			●				●
Connectors - USA	KOSTAL Kontakt Systeme, Inc. Rochester Hills, Michigan, USA	●				●	●	●
Connectors - Italy	KOSTAL Italia s. r. l Turin, Italy			●				●
Industrie Elektrik – Germany	KOSTAL Industrie Elektrik GmbH Hagen, Germany			●	●	●	●	●
Industrie Elektrik – Poland	KOSTAL Industrie Elektrik Poland Sp. Z o.o. Świdnik, Poland			●		●		
Solar Electric – Germany	KOSTAL Solar Electric GmbH Freiburg i. Br., Germany			●				●
Solar Electric – France	KOSTAL Solar Electric France SARL Guyancourt, France			●				●
Solar Electric – Italy	KOSTAL Solar Electric Italia Srl Rivoli (TO), Italy			●				●
Solar Electric – Spain	KOSTAL Solar Electric Iberica S.L. Paterna, Spain			●				●

Company	Legal name and Address	Americas	Asia	Europe +	Head office	Production	R&D, Engineering	Sales, Business Services
Solar Electric – Greece	KOSTAL SOLAR ELECTRIC HELLAS E.P.E. Thessaloniki, Greece			●				●
SOMA Test Technology – Germany	SOMA GmbH Wuppertal, Germany			●		●	●	●
Global Business Services - Hungary	KOSTAL Global Business Services Center Ltd. Budapest, Hungary			●				●
Compleo Charging Solutions – Germany	Compleo Charging Solutions GmbH & Co. KG Dortmund, Germany			●	●	●		
Compleo Connect GmbH - Germany	Production Schlaggen, Germany			●		●		
Compleo Charging Solutions - Austria	Compleo Charging Solutions GmbH Vienna, Austria			●				●
Compleo Charging Solutions - Switzerland	Compleo Charging Solutions AG Schweiz Zürich, Switzerland			●				●
Compleo Charging Solutions - Sweden	Compleo Nordic Malmö, Sweden			●				●



About this report

In its fourth Sustainability Report, the KOSTAL Group reports on its environmental and social performance of 2025, and its progress compared to 2024 and base year (2022). KOSTAL is committed to conducting its activities sustainably. We understand our impacts and manage our business in a way that respects the environment and surrounding communities, and that brings positive benefits to society.

This report is addressed to our stakeholders - employees, customers, suppliers, public authorities, NGOs - and all interested members of the public. We aim to present a transparent and credible representation of who we are, what we do, and how we do it.

Period covered by the report

The focus of this report is the calendar year 2025 (1 January 2025 to 31 December 2025).

Reporting cycle

KOSTAL intends to publish its Sustainability Report annually.

Scope of the report

The scope of this report is KOSTAL Group's global operations covering all manufacturing and engineering locations as well as sales offices worldwide.

GRI and ESRS compliance

The Sustainability Report was prepared based on the GRI Standards (GRI-referenced) and ESRS requirements.

The disclosures referenced by this material are presented in each subchapter and in the 'ESG data' chapter.

External assurance

No third-party verification was performed.

Contact

We value your feedback on our report. If you have any comments or suggestions regarding our Sustainability Report, please contact KOSTAL Group at sustainability@kostal.com