



SURTECO

**Sustainable products.
Sustainable business.**

Sustainability report 2024

Non-financial Statement*

ABOUT THIS NON-FINANCIAL STATEMENT

SURTECO GROUP SE is preparing and publishing the combined Non-financial Statement in accordance with §315b and §315c in conjunction with §§289c to 289e German Commercial Code (HGB) and the Directive (EU) 2022/2464 of the European Parliament and the Council dated 14 December 2022 on the establishment of a framework to facilitate sustainable investments and Article 8 of the Delegated Regulation (EU) 2020/852 (EU Taxonomy Regulation).

CSRD AND ESRS AS A FOUNDATION FOR EUROPEAN SUSTAINABILITY REPORTING

The Corporate Sustainability Reporting Directive (CSRD) represents a substantial expansion of the previous EU Guidelines on non-financial reporting. The directive came into force on 5 January 2023 at EU level and has to be adopted in national law by the EU Member States. One of the aims is to oblige large companies oriented on the capital market in the EU to provide comprehensive disclosure as part of their sustainability reporting, highlighting the impacts of their business operations on sustainability aspects as well as pointing out the influences of sustainability aspects on the performance of their business, the results of operations and the situation of the company. With this purpose in mind, the EU has passed a number of European standards for sustainability reporting in the form of the European Sustainability Reporting Standards (ESRS), adopted as a delegated regulation, which is directly applicable in all EU Member States. The requirements of the current legal framework continue to apply to SURTECO because the national CSRD Implementation Act (CSRD-UmsG) did not come into force in Germany until 31 December 2024.

However, in the expectation of prompt implementation of the CSRD in German law, the SURTECO Group has made comprehensive preparations for first-time reporting in accordance with CSRD and ESRS respectively. The requirements of ESRS were largely implemented in this report on a voluntary basis for the 2024 business year.

STRUCTURE AND METHODOLOGY OF THE NON-FINANCIAL STATEMENT

SURTECO GROUP SE presents a Non-financial Statement at company level and a non-financial group statement jointly as a combined Non-financial Statement. The Non-financial Statement is an integrated element within the management report and complements the management section. In compliance with the requirements of the ESRS, the material topics were selected on the basis of their impact, their relevance and the assessment of their potential financial impacts. Material aspects and circumstances relating to environmental concerns, employee concerns, social concerns, business ethics and compliance, including combatting corruption and bribery, respect for human rights and sustainability in the supply chain are summarized and the content is divided into four sections on the basis of the structural requirements of the ESRS: general disclosures, environmental information, social information and company information.

The individual sections of the Non-financial Statement are based on the structure of the ESRS.

Reconciliation of sustainability matters between HGB requirements and the ESRS framework and contextualisation of the matters.

| Sustainability matters | ESRS-framework |
|---------------------------------|--|
| Environmental concerns | E1 Climate change E2 Pollution E5 Resource use and circular economy EU-Taxonomy |
| Employee concerns | S1 Own workforce |
| Social concerns | S1 Own workforce |
| Respect of human rights | S1 Own workforce |
| Fighting corruption and bribery | G1 Business conduct |

General information

ESRS 2 GENERAL DISCLOSURES

This sustainability statement is a consolidated report about the material ESG topics of the SURTECO Group and forms part of the management report. The structure of the report and its disclosures are based on the framework of the Corporate Sustainability Reporting Directive (CSRD).

The group of consolidated companies governed by the sustainability statement corresponds to the companies consolidated in the company's consolidated financial statements, and the reporting period is the financial year and calendar year 2024. The base year for the achievement of the sustainability goals is the business year 2019. The financial information was denominated in the reporting currency of the euro (€). This sustainability statement also takes into account upstream and downstream activities of the value chain within the course of the reporting year. Information about the intellectual property, know-how and innovations of the SURTECO Group are not disclosed in this report. This reporting makes use of the time horizons defined in ESRS 1 for short-term (< 1y), medium-term (1-5 y) and long-term (> 5 y).

The preparation of the sustainability statement requires to a certain extent decisions of judgement, estimates and assumptions. The material facts that are affected by such decisions of judgement and estimates relate to the definition of the risks and opportunities associated with sustainability. The quantitative disclosures are the result of a consolidated, regular survey of the individual units within the Group. These data were prepared with due care and attention and following a comprehensive review. When the surveys are carried out by the individual subsidiary companies, there may be unintentional misrepresentation when questions are answered. One example from the past relates to information having been provided in the wrong unit of measurement. If a mistake of this nature was discovered, the corresponding prior-year value was corrected in the report and appropriately identified. If omissions or exceptions to the disclosure of developments were identified, these are also assessed and reported in accordance with the circumstances.

A comprehensive risk assessment in connection with sustainability reporting is included under DR GOV-5 of this section. The data quality here is treated as an important aspect. This evaluation highlights the potential risks and their impacts and outlines the mitigation strategies directed towards continuously improving the quality of the information disclosed in this report.

Governance

DR GOV-1: The role of the administrative, management and supervisory bodies

The composition of the Supervisory Board is based on § 95 Sentence 2 Stock Corporation Act (Aktiengesetz, AktG) in conjunction with Article 8 Section (1) of the Articles of Association and the rules of the contract pursuant to §§ 13 Section (1) Sentence 1, 21 SE Participation Act (SE-Mitwirkungsgesetz) (Law on the Involvement of Employees in a European Company, SEBG) between the special negotiating committee and the executive management of SURTECO AKTIENGESELLSCHAFT about the participation of the employees of SURTECO GROUP SE dated 13 February 2007. According to these requirements, the company's Supervisory Board is made up of nine members. Six members are elected by the Annual General Meeting. All these six members are independent pursuant to the German Corporate Governance Code (DCGK). Three members are appointed as employee representatives to the Supervisory Board in accordance with the provisions of the above-mentioned agreement by the works councils of the three German companies of the SURTECO GROUP with the most employees. Since employees cannot be regarded as independent, as a matter of principle, the proportion of independent members of the Supervisory Board is 66.7 %. The Supervisory Board has defined a target for one female seat on the Supervisory Board by 2025. Up to now, it has not been possible to appoint an appropriately qualified women to the Supervisory Board of SURTECO GROUP SE. The proportion of women on the Supervisory Board during the reporting year 2024 is therefore 0 %.

In order to assess impacts, risks and opportunities in an evidence-based approach, the expertise of the Supervisory Board covers the following areas: paper and paper refinement, production and plastics technology, digital printing, occupational health and safety, human resources and climate economy. The Supervisory Board has appointed Mr. Jörg Wissemann as the contact person for sustainability issues in the Management Board. Mr. Wissemann manages a business unit within his company that includes specialism in sustainability management (Strategy & Implementation) and therefore has extensive expertise in sustainability topics that are important for the company. Together with three other members of the Supervisory Board, Mr. Wissemann is a member of the Audit Committee of the SURTECO Group and is therefore responsible for the review and approval of the sustainability report. The definition of the sustainability targets of the SURTECO Group is carried out in consultation with the Management Board and Supervisory Board and is adopted by these bodies.

The Board of Management (Executive Board) comprises three members who are currently represented by two members. The Members of the Management Board are appointed and dismissed by the Supervisory Board. Rules of Procedure govern the allocation of business and the cooperation within the Management Board. The Members of the Management Board are not intended to work for the company beyond the statutory retirement age. In addition to the Management Board, there are two other administrative and management bodies: the Senior Management Team (SMT) and the Executive Management Team (EMT, C Level 1). The proportion of women there was 12 % and 11 % respectively.

The Management Board of SURTECO GROUP SE manages the company with the objective of generating organic economic value added over the long term. The Management Board carries out its functions independently and in the interests of the company, while taking into account the needs of its shareholders, its employees and the groups associated with the company (stakeholders). The Members of the Management Board are jointly responsible for the executive management of the company. The Chairman of the Management Board coordinates the activities of the Management Board. The Management Board develops the company's strategic direction, coordinates it with the Supervisory Board and implements the strategy. The Board ensures compliance with the statutory regulations and internal company guidelines and guarantees that the Group companies comply with these requirements.

The Board of Management has implemented a group-wide Internal Controlling System (ICS), a Risk Management System (RMS) and a Compliance Management System (CMS). The ICS and the RMS also deal with targets related to sustainability. The Management Board is responsible for the risk policy within the SURTECO Group. The identification of risks is carried out by the Management Board on the basis of group-wide guidelines. This is carried out together with the management of the subsidiary companies, Group controlling and the specialist departments. The results are regularly reported to the Management Board, which in turn submits a report to the Audit Committee of the Supervisory Board. The executive management of the subsidiary companies receives the instructions of the Management Board and in this connection is responsible for the risks that it enters into its business activity. The management integrates the employees within the framework of their governance functions into the risk management. Binding rules for the risk management processes are defined within the group-wide Risk Management Manual.

The governance bodies of the SURTECO Group ensured that they possess or have access to the necessary skills and expertise in order to effectively monitor and manage sustainability aspects. In addition to the personal expertise, the governance bodies have access to internal experts who cover a wide range of sustainability aspects:

- Corporate Function Sustainability
- Environmental and Energy Managers
- Occupational Safety Specialists
- HR Specialists
- Compliance and Internal Auditing Teams
- Experts for Supply Chain Management
- Specialists for Operational Excellence

Furthermore, external advisors and specialist committees are available in order to regularly provide information on legal developments and best practices. The sustainability competencies available are directly related to the company's material ESG risks and opportunities. As a result of the structured access to internal experts and external specialists, the company ensures that its management bodies are in a position to take informed decisions directed towards creating long-term values for the company and its stakeholders. A complete overview of the management bodies of the SURTECO Group can be found in the financial part of this Management Report in the section "Executive Officers of the Company".

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

Sustainability management and governance structure

The sustainability management encompasses all entrepreneurial activities that safeguard the sustainable, long-term development of the company in line with the requirements of corporate governance, the environment and social concerns.

The role of the administrative, management and supervisory bodies is clearly defined as set out below:

- The Management Board bears overall responsibility for the sustainability strategy and takes final decisions in regard to measures and investments relating to sustainability.
- A Sustainability Team appointed by the Management Board acts as a central body for coordination and controlling of the sustainability strategy. It develops proposals for targets and measures, monitors their implementation and ensures knowledge transfer within the company.
- Sustainability managers and process owners at locations across the world ensure operational implementation and assume strategic responsibility for environmental, social and economic sustainability aspects in their respective areas.
- The Sustainability Team communicates on a monthly basis with the Management Board and agrees strategic decisions within the scope of Executive Management Meetings and Strategy Meetings.
- The Supervisory Board promptly receives comprehensive information and updates about sustainability topics in the context of Supervisory Board Meetings.
- The Audit Committee of the Supervisory Board deals with sustainability reporting annually and reports its findings to the plenary session.

Employees, process owners and sustainability managers are kept regularly informed through the group-wide management system and the Intranet. People in the public domain receive appropriate information in the Sustainability Report and on the company's website.

Material sustainability topics during the reporting period under review

During the reporting period under review, the administrative, management and supervisory bodies addressed the following key sustainability issues:

- Reduction of emissions: Development and implementation of CO₂ reduction strategies.
- Use of secondary raw materials: Evaluation of the feasibility and integration of recycling materials into the production process.
- Autonomy in energy supply: Analysis and investments in renewable energies in order to safeguard energy supply.
- Alternative production technologies: Testing and implementation of sustainable manufacturing processes.
- Occupational health and safety: improvement of occupational safety and company healthcare promotion.
- Waste management: Measures for waste avoidance and optimization of disposal processes.
- Circular economy: Development and promotion of closed material cycles.
- Diversity: Implementation and monitoring of measures to promote diversity in the workforce.

These topics were addressed in decisions taken by the Management Board, in strategy meetings and committee meetings. Concrete measures were adopted and directed towards minimizing risks and exploiting opportunities.

DR GOV-3: Integration of sustainability-related performance in incentive schemes

The SURTECO Group has recognized the key role played by sustainability in promoting long-term value creation and responsible business practices, and the Group has implemented sustainability targets within the incentive systems used for the Management Board.

The compensation system for the Management Board provides for a share of 10 % of variable remuneration to be determined by the achievement of sustainability targets. These sustainability targets are established by the Supervisory Board in consultation with the Management Board for each business year.

DR GOV-4: Statement on due diligence

The SURTECO Group has established a comprehensive due diligence approach to ensure that all risks and opportunities relevant to sustainability are systematically identified, assessed and addressed across all business units, supply chains and stakeholders. A key factor here is setting up a robust due diligence process that encompasses the following key elements:

- Evaluation and identification of potential sustainability risks in all business operations.
- Use of Key Performance Indicators (KPIs) aligned with sustainability-related targets to measure progress and identify potential for improvement at an early stage.
- Close communication and collaboration with stakeholders – including suppliers, employees, investors and local communities – in order to ensure transparency and accountability.
- Continuous review and adaptation of the due diligence process in response to changing regulatory requirements, market trends and stakeholder expectations.

The Sustainability Team at the SURTECO Group is working on further developing this process in order to manage the company's sustainability initiatives effectively and integrate them successfully within the strategy across the company.

The following table provides an overview of how the core elements of due diligence are presented in the sustainability statement:

| Core elements of the duty of care | Sections in the sustainability declaration | Relevant stakeholders / responsible parties |
|---|---|---|
| Integration of due diligence into governance, strategy and business model | Section DR SBM-1 & DR GOV 1: Sustainability strategy & governance structure | Management Board, Supervisory Board, Sustainability Team |
| Involvement of affected stakeholders in all key due diligence steps | Section DR SBM-2: Stakeholder engagement & dialog mechanisms | Suppliers, customers, investors, NGOs, employee representatives |
| Identification and assessment of negative impacts | Section DR IRO-1 & DR SBM-3: Materiality analysis & risk identification | Environmental organizations, employees, local communities |
| Measures to counter these negative effects | Section DR GOV-5: ESG management systems & action plans | Sustainability managers, compliance, internal audit, works councils |
| Tracking the effectiveness of these efforts and communication | Section DR GOV-5: Monitoring, KPIs & Reporting | Internal audit, external auditors, rating agencies |

- **Integration into corporate governance:** Due diligence is firmly anchored in the governance structure. The Management Board bears ultimate responsibility while the Sustainability Team as an operational committee develops concrete measures and coordinates their implementation.
- **Stakeholder integration:** Regular dialogues and reporting proactively involves internal and external stakeholders in the due diligence process. This approach promotes transparency and strengthens the trust and confidence in the decisions taken by the company relating to sustainability.
- **Measurement and continuous improvement:** Clearly defined KPIs provide assistance in measuring progress and identify specific areas where improvements are necessary. Continuous review and adaptation of the process ensures that the company can respond flexibly to new challenges and regulatory changes.

DR GOV-5: Risk management and internal controls over sustainability reporting

The SURTECO Group has established a structured system for identification, assessment and management of risks within sustainability reporting. This system is integrated within risk management through-out the company and comprises the following:

- A central Sustainability Management System that defines the guidelines and procedures for data collection, data analysis and data reporting.
- Internal controlling mechanisms that ensure the quality and accuracy of the sustainability data collected.
- Regular review and auditing by Internal Audit and external auditors in order to ensure compliance with regulatory requirements.

The SURTECO Group uses a risk-based assessment methodology in order to identify and prioritize potential risks in sustainability reporting:

- Identification of risks: Analysis of potential risks, e.g. data gaps, inconsistent reporting or inadequate data sources.
- Assessment of the risks: Each risk is assessed on the basis of its probability and impact on reporting.
- Prioritization of the risks: Risks with high priority are addressed with targeted measures in order to safeguard the quality and reliability of reporting.

The following risks were identified as material and are addressed through specific measures:

| Risk | Effects | Reduction strategy |
|--|---|---|
| Data gaps or missing data | Incomplete or distorted reporting | Automated data collection systems, close cooperation with relevant specialist departments |
| Incorrect data entry or calculations | Inaccuracies in the sustainability indicators | Standardized control mechanisms, internal plausibility checks |
| Delayed or untimely data collection | Failure to comply with reporting obligations in a timely manner | Implementation of a clear schedule for data collection and validation |
| Insufficient transparency and traceability | Stakeholder confidence in reporting could be impaired | Regular audits and documentation of all process steps |

Strategy

DR SBM-1: Strategy, business model and value chain

SURTECO GROUP SE (Societas Europaea) is a company listed on the stock exchange under European law and is based in Bittenwiesen, Germany. The company is the ultimate parent company of the Group and is registered in the Company Register of the Local Augsburg Court (Amtsgericht Augsburg) under HRB 23000. The purpose of the companies consolidated in the SURTECO Group is the development, production and sale of coated surface materials based on paper and plastic.

Business areas

The SURTECO Group produces a wide range of products for domestic use, for the trade sector and for the public arena. SURTECO products are used in virtually all areas of daily life. For example, they are applied on furniture, flooring and doors in homes, in caravans and on cruise ships. The products manufactured by the Group companies are primarily processed by the international flooring, wood-based and furniture industries. They are also used by cabinetmakers and artisan craft businesses. This involves coatings being used for wood-based materials such as chipboard and fibreboard. The coating gives these boards their final surface with appropriate visual, haptic and functional attributes. The most important sales markets for the Group include Germany, the rest of Europe, and North and South America.

Edgebandings based on plastic and paper are the SURTECO Group's product with the highest sales. Plastic edgings are made from the plastics ABS, PMMA, PP and PVC in a wide range of different dimensions and strengths to meet specific customer requirements. Melamine edgings are manufactured on the basis of printed lightfast specialist papers.

Finish foils made of plastic or paper are ideal for all areas of application. The paper-based foils provide innovative design and a natural haptic feel. They are therefore exceptionally good at creating appealing furniture surfaces with outstanding technical properties. The product range of the SURTECO Group also includes plastic foils for particularly attractive furniture surfaces, for further refinement to create long-life carpets and for many industrial applications.

Decor papers are applied to provide materials with decorative elements in order to refine wood-based surfaces, for use in the furniture and floor industries and in interior design. The development of creative wood, stone and fantasy decors is carried out in cooperation with the Group's in-house design studios.

The SURTECO Group is a dependable partner for specialist flooring wholesalers and for professional floor-layers. The product range covers skirtings, stair edges, transition rails and all the accessories required for laying floors.

Decorative impregnated products from the SURTECO Group are found everywhere, for example on furniture or laminated flooring. They have tough, abrasion-resistant surfaces that are extremely resistant to mechanical, thermal and chemical influences. Overlays with a laminate structure from the SURTECO Group give an additional coating for areas subject to heavy wear and tear, and provide special optical effects. Complementary to this, release papers from the SURTECO Group are widely used in the wood-based material industry. The product lends the surface its final visual look and creates an appealing haptic feel. Release papers from the SURTECO Group are also used to give texture to other materials such as leatherette.

Technical extrusions made of all common plastics manufactured for the construction sector and many other industrial sectors complete the product portfolio.

Laminates have a multilayer structure and offer long-life and cost-effective surfaces for living environments and commercial spaces. Performance foils offer a variety of final applications as rigid, semi-rigid and flexible foils. Coated fabrics are vinyl-coated materials and they are used in cushioning for seats and coverings, for example in the automobile industry or in marine settings on ships.

Sustainability targets have been agreed for all products in the SURTECO Group. This involves using raw materials that are already bio-based or renewable through the application of materials based on wood fibre such as paper and wood-based materials. We aim to base our products on the following criteria:

- **Resource conservation**

Reduction of the use of fossil-based raw materials through the application of recycled or bio-based materials.

- **Energy efficiency**

Optimization of production processes to reduce energy consumption and to make use of renewable energy.

- **Waste management**
Minimization of production waste and promotion of recycling and reuse.
- **Circular economy**
Establishment of circular and recycling processes which promote recovery.
- **Transparent supply chains**
Safeguarding sustainable procurement of raw materials and other materials.
- **Product design**
Design of products that are easier to recycle and have fewer environmental impacts.

The sustainability targets listed above relate to all product groups of the SURTECO Group and there is no prioritization by geographical regions. During the reporting period, there were no significant changes in the product offering, or the markets and customer groups.

Wherever possible the SURTECO Group joins forces with its customers to carry out development projects in order to find solutions for circular processes in the packaging sector and for recycling processes concerning plastic products.

All the products of the SURTECO Group can be subsumed under the category “Building products and furnishings”.

| Business (product) € 000s | 2023 | 2024 |
|--------------------------------|----------------|----------------|
| Edgebands | 262,352 | 260,706 |
| Finish foils | 133,649 | 137,190 |
| Decorative printing | 93,475 | 88,138 |
| Impregnates / Release papers | 45,224 | 48,619 |
| Skirtings and related products | 77,124 | 73,816 |
| Technical extrusions | 50,483 | 47,002 |
| Laminates | 69,516 | 98,285 |
| Performance Films | 31,122 | 31,642 |
| Coated Fabrics | 41,016 | 39,603 |
| Other | 31,128 | 31,587 |
| | 835,089 | 856,588 |

Global presence

Being close to our customers is important for the SURTECO Group. Proximity guarantees short delivery pathways that save resources and permit individual bespoke responses to differing regional preferences and trends. The SURTECO Group operates in virtually all the countries of the world and maintains 26 production locations in Germany, the United Kingdom, Sweden, Portugal, Canada, USA, Brazil, Indonesia, Thailand and Australia. At the same time, the company’s global presence and comprehensive product range make it less vulnerable to the volatility of sales fluctuations in individual countries and sectors.

| Geographical breakdown of SURTECO Group | | | | |
|--|------------------------|----------------|------------------|--------------|
| | Sales in € 000s | | Employees | |
| | 2023 | 2024 | 2023 | 2024 |
| Germany | 166,239 | 160,544 | 1,495 | 1,490 |
| Europe (without Germany) | 324,243 | 315,525 | 617 | 641 |
| America | 260,440 | 297,073 | 1,013 | 1,043 |
| Asia / Australia | 77,350 | 75,133 | 560 | 558 |
| Other | 6,817 | 8,313 | 0 | 0 |
| | 835,089 | 856,588 | 3,685 | 3,732 |

Value chain

Truly sustainable companies have to manage their business responsibly within their own organization and along the entire value chain – in upstream and downstream areas.

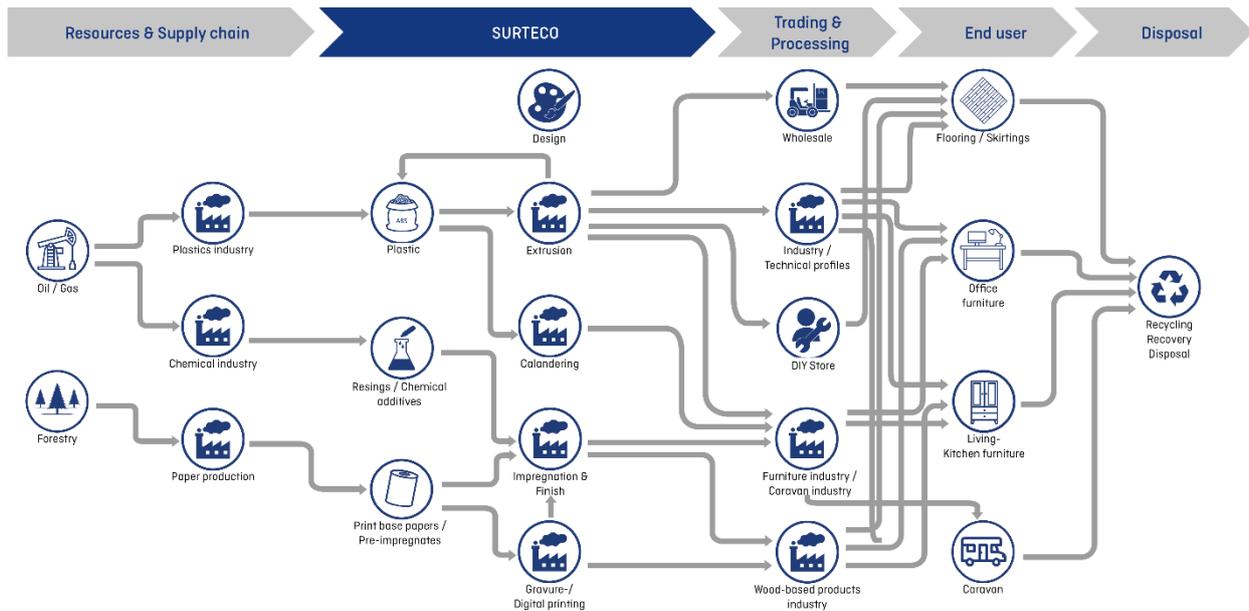
The SURTECO Group procures raw materials, packaging materials, production goods, services and other inputs such as energy worldwide. Generally speaking, the SURTECO Group purchases directly from several manufacturers and is not dependent on an individual supplier. The cost of materials ratio was 49 % in 2024 and this indicates that the procurement of raw materials constitutes the biggest expense item for the SURTECO Group. Around 79 % of the total cost of materials is attributable to the three most important raw materials paper, plastics and chemical additives. Consequently, plastics manufacturers, paper producers and the chemicals industry are the most important groups of suppliers.

In order to uphold its social and environmental responsibility in the framework of a holistic approach the SURTECO Group has defined its values in a Code of Conduct for suppliers – Sustainable Procurement ("Code of Conduct") with 17 principles based on ethical business conduct, social standards and environmental standards. (The Code is based on international conventions such as the United Nations Human Rights Declaration, the guidelines on children's rights and entrepreneurship, business conduct and human rights, labour standards and the United Nations Global Compact.)

End customers are dominated by the wood-based materials industry, the wholesale trade, the home-improvement market and the furniture industry. End consumers only purchase skirtings through the home-improvement sector as a finished product manufactured by the SURTECO Group. Surface materials are incorporated into the production process at customers of the SURTECO Group in order to make other products like furniture, doors and laminate flooring. Most end products can be disposed of through house-hold waste collection or recycling centers. Some furniture parts can be recycled and returned to the wood-based materials industry.

The need for living and office space is constantly increasing as the global population rises, together with the consequent expansion of purchasing power. This is leading to a spiraling demand for furniture, flooring and interior installations. It is particularly relevant for the demographic and economic development taking place in the emerging economies. In addition, the global trend towards urbanization and individualization is generating an accelerated demand for attractive interior architecture and fittings.

The company and its products need to become more sustainable over the entire value chain in order to meet this challenge without jeopardizing the company's principles.



Strategy and business model

The strategy of the group of companies with its seven pillars of Product Leadership, Operational Excellence, Commercial Excellence, Digitalization, Focused Internationalization, Sustainability and a Corporate Culture under the slogan of “Company I like to work for” is single-mindedly focused on the overarching goal: “We make rooms worth living in”.

The business model of the SURTECO Group is based on the claim that we manufacture outstanding surfaces, edgings and extrusions (profiles). However, excellent products in themselves are not sufficient to guarantee sustainable success over the long term. This offering is supplemented by bespoke solutions that are tailor-made to suit the needs of our customers and this is augmented by comprehensive service. Our strategy rises to this challenge by encompassing all stages of the value chain, with a particular focus on providing the best possible service for all our customers.

DR SBM-2: Interests and views of stakeholders

The SURTECO Group absolutely needs to understand the impacts that stakeholders may exercise on every activity or about which stakeholders may gain information so that the Group can design a sustainable strategy since the interests and views of stakeholders are embedded in the Group’s policies and practices.

The SURTECO Group communicates continuously and promptly with the most important stakeholders in a form that is relevant to the individual target group. The most important stakeholders are listed below. They were identified in the SURTECO Group’s activities and business relationships as well as its engagement initiatives in order to identify their interests and views.

| Key stakeholders of the SURTECO Group | | | | |
|--|--|---|--|---|
| Stakeholder | Communication | Interests and views | Implementation in the SURTECO strategy - Pursuit of the UN goal | Consideration of stakeholder interests |
| Investors | Annual General Meeting Capital market conferences Individual meetings | Sustainable corporate value Profitability Profitable and competitive business models | SDG 8 Decent work and economic growth | Reporting on ESG key figures Integration into sustainability decisions |
| Supervisory Board | Supervisory Board Meeting | Sustainability strategy Sustainable corporate value Leadership role in sustainable developments | SDG 8 Decent work and economic growth SDG 13 Climate action | Integration of sustainability goals into the corporate strategy Regular sustainability reports ESG-supported remuneration models for the Management Board |
| Management Board | Executive Management Meeting Strategy meeting Board meeting | Sustainability strategy Sustainable management Environmental and health protection Corporate governance | SDG 3 Good health and well-being SDG 8 Decent work and economic growth SDG 13 Climate action | Anchoring sustainability in corporate management Setting and monitoring climate targets Promotion of a sustainable corporate culture |
| Employees | Works meetings Appraisal interviews Employee surveys Intranet | Secure employment Equal opportunities Equal pay Further development Work / life balance | SDG 3 Good health and well-being SDG 8 Decent work and economic growth | Training on sustainable working practices Involvement in decision-making processes, Promotion of diversity |
| Suppliers | Purchasing discussions Supplier evaluation Trade fairs | Sustainable supply chain Health and safety Working conditions and rights Climate change Circular economy | SDG 9 Industry, innovation and infrastructure SDG 13 Climate action | Supplier audits Promoting joint resource conservation and circular economy projects |
| Customers | Sales meetings Customer events Customer satisfaction analysis Conferences | Sustainable products and production Sustainable supply chain Health and safety Working conditions and rights Climate change Circular economy | SDG 12 Sustainable consumption and production. SDG 13 Climate action | Transparency about sustainable products Recycling and take-back concepts Sustainable packaging solutions |
| Inhabitants / Communities | Press Open day Informal contacts | Sustainable production sites in harmony with quality of life | SDG 6 Clean water and sanitation SDG 13 Climate action | Participation in local environmental and social projects Reduction of local emissions |
| Authorities and associations | Press Communication via specialist departments | Corporate Governance Environmental protection | SDG 13 Climate action SDG 17 Partnerships to achieve the goals | Compliance with legal requirements Involvement in sustainability initiatives |

The administrative, management and supervisory bodies have a special role within the scope of stakeholder reporting. This relates to the Management Board, the Supervisory Board and the operational management team. These bodies are kept regularly informed by the Sustainability Officer during the course of Management Board and Supervisory Board Meetings, or in the case of operational management as part of the Management Review Meetings. The latter meetings in particular also gather information within the Business Units about stakeholder opinions along the supply chain.

More robust integration of stakeholders increases acceptance and legitimacy because a range of interests is taken into account. This also promotes innovations because suppliers, customers and NGOs can contribute sustainable solutions. Risks such as environmental or social problems can be identified and avoided at an early stage. Active stakeholder involvement means that sustainability will be more credible and make a contribution to wealth creation over the long term. Investors prefer companies with clearly defined ESG strategies and this facilitates financing. Over the long term, close stakeholder involvement therefore enhances economic stability and reduces regulatory risks.

The SURTECO Group has therefore adapted its business model to have a greater focus on sustainable material innovations, recyclability and less resource-intensive production processes. This approach takes account of stakeholder interests and regulatory requirements. The business model is being adapted in accordance with the existing structures and framework conditions of stakeholder relationships.

The methodology applied by the SURTECO Group to identify and assess material impacts, risks and opportunities is described in DR IRO-1 under the section Impacts, Risk and Opportunity Management of this reported standard.

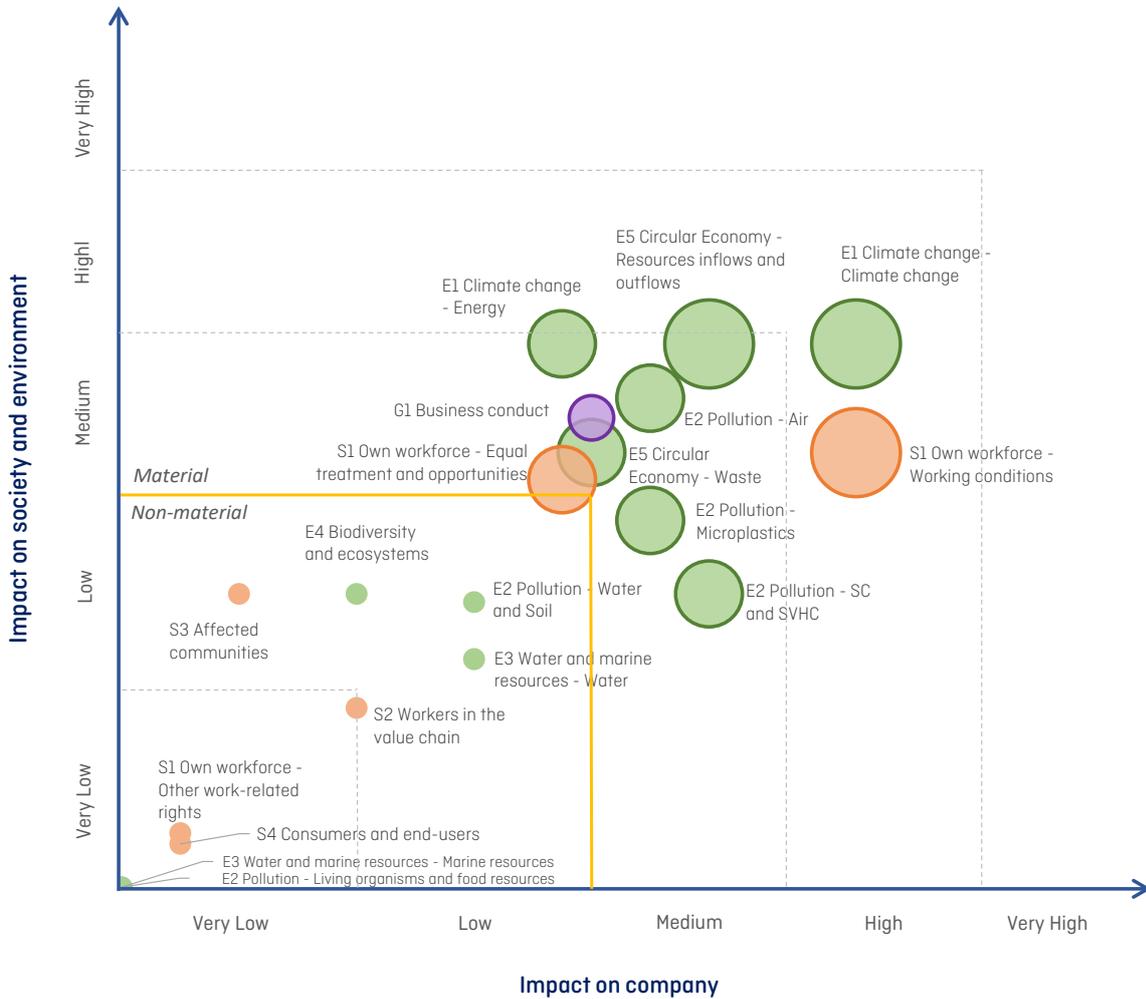
DR SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Sustainability in the SURTECO Group is a pillar of the corporate strategy that is networked with all areas of activity. This approach is adopted because we are aware that while it is our responsibility to pursue the economic interests of the shareholders, we also have a responsibility to preserve the planet's resources and contribute to the well-being of society. Sustainability means more than simply environmental protection and comprises a holistic approach that prioritizes long-term and sustainable development in the areas of Governance, Environment and Social.

The company, its culture and its employees are the foundation underpinning the SURTECO strategy. The SURTECO Group is committed to the principles for sustainable development and improvement of living standards. It intends to be a sustainable company and a role model for ESG practices.

The SURTECO Group identified its material topics on the basis of the materiality analysis methodology described in DR IRO-1. This can be found under the section Impact, Risk and Opportunity Management in this reporting standard.

The SURTECO Group consolidates its impacts, risks and opportunities taking into account the relevant sustainability aspects in order to provide a better overview. The topics and results of the materiality analysis are provided in the following matrix.



The material impacts, risks and opportunities are the result of the interaction between the environment and society with the activities and business relationships of the SURTECO Group.

ESRS E1 – Climate change

The dependence on energy resources, the necessity to increase efficiency and the proportion of renewable energy make energy a relevant topic for the SURTECO Group. This is not simply on account of the impacts that result from the use of non-renewable energy sources. It also relates to the financial impacts that the energy transition can exert on the company. Additional material impacts result from the release of greenhouse gases (GHG) and their potential impact on climate change. Changes in the regulations, restrictions on the use of fossil-based energies, charges for emissions of greenhouse gases and the costs of decarbonization can also all impact negatively on the business. Impacts, risks and opportunities arising from energy consumption and the release of greenhouse gases have a higher incidence in the supply chain, material transport and the SURTECO Group’s own operations.

ESRS E2 – Pollution

The materiality of pollution depends on the type of materials used by the SURTECO Group. Air pollution is a material topic for the SURTECO Group because it uses materials containing solvents and these can potentially cause harm when released into the air. In spite of the existing treatment systems and mitigation measures, the release of solvent emissions is relevant for the SURTECO Group. However, significant risks

may also arise from changes in legal requirements when using materials of this nature. Similarly, changes in emission limits may lead to restrictions on the selection of materials, processes or treatment technologies.

The manufacture of plastics and the use of raw materials which are classified as microplastics are also material for the SURTECO Group. This is not only the case on account of the potential impacts owing to contamination but also due to the mandatory requirements for their application.

ESRS E5 – Resource use and circular economy

The type of business activity of the SURTECO Group, its dependence and the impacts of its use make resource use and the circular economy a key issue in their in-house business activities and also in up-stream activities. The volume of waste and the proportion of disposal processes are also relevant topics for the efficient use of resources and the circularity of materials.

ESRS S1 – Own Workforce

Our slogan "A company I like to work for" is one of the pillars of SURTECO's strategy, and occupational health and safety, social security and the right work-life balance are absolutely essential for this. Loyalty, stability and commitment are some of the key effects of this topic. But the other side of the coin is the way the workforce, their absenteeism and lack of commitment can impact negatively on the company.

ESRS G1 – Business Conduct

Violations of human rights principles have been identified as a material topic for the SURTECO Group not because of the probability of occurrence, since the probability of their occurring is very low, but because of the magnitude of their impact. The corporate culture at the SURTECO Group is based on people and their rights. Protection of these rights is supremely important over the entire value chain.

Every single material matter is disclosed in this sustainability statement in accordance with the relevant thematic standard.

| Impacts, risks and opportunities | Measures | Positive Effects | Negative Effects | Financial Effects | Consideration of the value chain |
|--|---|--|---|--|--|
| ESRS E1 Climate Change | Reduction of energy consumption, use of renewable energies, investment in energy efficiency technologies | Reduction of greenhouse gas emissions, reduction of energy costs, fulfillment of regulatory requirements | Investment costs for energy efficiency measures | Long-term cost savings through energy efficiency and reduced CO ₂ costs | Energy efficiency and decarbonization in the supply chain, material transport and own operations |
| ESRS E2 Environmental pollution | Use of alternative, less environmentally harmful materials, improvement of wastewater treatment processes | Reduction of emissions, protection of the environment, material efficiency | Customization costs for new materials, production processes | Cost savings through reduction of environmental penalties | Use and emissions of solvents in the supply chain, plastic production and micro-plastic risks |
| ESRS E5 Resource utilization and circular economy | Promotion of circular economy practices, increased recycling, use of secondary materials | Greater resource efficiency, material availability, lower waste costs | Initial investment in recycling initiatives | Reduction in material and waste management costs | Waste generation, material transportation and raw material consumption, circular economy initiatives in the supply chain |
| ESRS S1 Own workforce | Health and safety programs, training initiatives, promotion of work-life balance, diversity and inclusion | Improved employee retention, higher productivity | Costs for training programs and company health initiatives | Lower sickness rates, reduced fluctuation rates | Workplace culture, health protection and commitment in the value chain |
| ESRS G1 Business conduct | Implementation of guidelines for compliance with human rights, transparency initiatives | Strengthening reputation, reducing risks in the area of human rights | Expenses for compliance and monitoring | Reduction of reputational damage and compliance fines | Human rights and ethics throughout the value chain, supplier management and compliance monitoring |

Impact, risk and opportunity management

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

The SURTECO Group has implemented a structured procedure in order to identify and assess systematically material sustainability topics, risks and opportunities. The starting point for this procedure is the comprehensive determination of potentially relevant topics arising from the areas of Environment, Social and Governance (ESG). The company is guided by the requirements of the European Sustainability Reporting Standards (ESRS) and the regulatory requirements, industry-specific developments and global sustainability goals such as the Sustainable Development Goals (SDGs) of the United Nations.

A key component of the process is identification of the relevant stakeholder groups. This includes customers, employees, suppliers, investors, local communities and organizations of civil society. The perspectives and expectations of these stakeholders are integrated systematically in the process by means of surveys, workshops and dialogue formats. In order to ensure that all relevant topics are taken into account.

The company uses internal and external information sources to identify the topics and the underlying data. Internal sources encompass e.g. indicators from environmental management, social indicators and risk reports. External sources comprise regulatory requirements, scientific studies, market analyses and sector reports. This information is brought together and serves as the foundation for additional analysis.

The assessment of the identified topics is carried out in the context of a materiality analysis, which is based on the concept of double materiality. Two perspectives are taken into account. On the one hand, the impact dimension, which describes the impacts that the company has on the environment and society, such as the emission of greenhouse gases, the use of resources or social concerns such as diversity and inclusion. On the other hand, the financial dimension, which examines the impacts of sustainability topics on the company's business activities and financial situation. Examples of the latter dimension include climate risks, regulatory changes or access to financing opportunities.

The SURTECO Group has established a structured decision-making process to ensure that significant impacts, risks and opportunities are systematically identified, assessed and monitored. This process is carried out by an interdisciplinary team, which is made up of representatives from the executive management, the sustainability management team, the risk management team and relevant specialist departments. The internal controlling procedures include regular review and approval by the Management Board along with implementation of a double-checking (four-eyes) principle relating to materially important key decisions.

The assessment process for impacts, risks and opportunities is integrated within the existing Risk Management System and permits a complementary analysis of financial and operational risks. The Risk Management System (RMS) is disclosed in the management report and does not place any special focus on risks related to sustainability.

The results of the impacts, risk and opportunity assessments flow directly into strategic planning and decision-making at the company and departmental levels. For example, the findings are used to guide investment decisions, product development strategies and measures for compliance with statutory regulations. In addition, the results are communicated regularly at board meetings and workplace meetings.

Methodology for materiality analysis

The SURTECO Group applied the materiality analysis with the aim of identifying the impacts, risks and opportunities, and thereby establish which sustainability aspects are relevant in the context of the organization and which Disclosure Requirements (DRs) have to be reported. The concept of double materiality takes into account how activities and business relationships exert an impact on social and environmental factors. The concept also takes account of how sustainability aspects can influence financial stability.

In accordance with the ESRS, the materiality analysis carried out by the SURTECO Group was followed by the next steps:

Materiality assessment

| | |
|---------------|---|
| Step 1 | Understanding the corporate context across the entire value chain |
| Step 2 | Identification of impacts, risks and opportunities in relation to sustainability aspects |
| Step 3 | Impact assessment and financial evaluation |
| Step 4 | Determination of material impacts, risks and opportunities and associated sustainability aspects |
| Step 5 | Identification of the main DRs |

Owing to the complexity of the organizational structure, the initial approach involved the SURTECO Group in carrying out the materiality analysis for the group of consolidated companies with a top-down approach. All the subsidiary companies were included in the assessment. Steps such as identification, assessment and reporting of impacts, risks and opportunities were carried out at Group level.

In view of the diversity of the divisions making up the SURTECO Group and in order to guarantee completeness in identifying impacts, risks and opportunities, and the accuracy of its assessment, the SURTECO Group intends to make use of a bottom-up approach. This involves carrying out individual assessments for each division/production technology and consolidating the results.

The following steps describe the methodology that the SURTECO Group uses for the materiality analysis of the sustainability aspects addressed in this statement on the basis of the top-down approach.

- **Step 1: Understanding the context of the company along the entire value chain**

Material sustainability aspects connected with environment, social and governance factors can result from the SURTECO Group's own business activity and from the upstream and downstream value chain. An overview of the activities and business relationships and an understanding of the interests and views of the stakeholders deliver an important input for the materiality analysis.

When identifying impacts, risks and opportunities, the organizational context first needs to be very clearly understood.

The organizational context of the SURTECO Group is determined from the following information sources:

Activities and business relationships

The SURTECO Group is defined through its sectors, products and services, and the way in which the activities and business relationships are carried out along the value chain, in other words in their in-house process but also upstream and downstream. The geographical position also plays an overarching role in shaping the SURTECO Group and exerts an influence on production and the market.

The values and principles underpinning the SURTECO Group are a further pillar that defines the context of the organization and its business model. Knowledge of strategy, business plans and financial information improves the understanding of its context and this expertise is applied in the identification of impacts, risks and opportunities but also in the assessment of these factors. The risk assessment system implemented in the organization was applied in order to provide support for the results and to review them.

The regular monitoring of the ESG indicators and sustainability practices delivered a valuable insight for the identification and assessment of impacts, risks and opportunities.

Other contextual information, such as the relevant legal and regulatory landscape, was applied by the SURTECO Group in order to identify and assess impacts, risks and opportunities. The SURTECO Group has branch offices in a range of sectors and geographical regions and is therefore operating in a multilayered legal framework. The emergence of regulatory developments related to sustainability, particularly within the environmental area, presents potential risks and opportunities for the company. Although strict regulations can entail challenges and potential liabilities, they also offer the opportunity to improve the sustainability practices of the SURTECO Group by positioning the company to take advantage of the emerging market trends.

Stakeholder groups

The SURTECO Group made use of the information collected in the course of the ongoing engagement initiatives maintained with the different stakeholder groups as input for its context and also for the materiality analysis (in order to achieve a better understanding of the engagement practices and the interests and views of the stakeholders, you can consult the information described in DR SBM-2, which can be found under the Strategy section of this reported standard).

Alongside an improved understanding of the company's context and the support provided in identification of sustainability aspects that have the potential to influence the business activity of the SURTECO Group or to be influenced by the sustainability aspects, it is also important to identify relevant stakeholders and understand their interests and outlooks.

In order to guarantee the completeness of the materiality analysis, initiatives were carried out to include various stakeholder groups. Surveys were performed and workshops were held as the SURTECO Group consulted the stakeholders in order to understand how they perceive the relevance of sustainability topics. The results of these initiatives will be incorporated into the coming sustainability statement. However, it will be assumed that the factors identified as material will remain unchanged. This approach highlights our obligation to achieve transparency and carry out regular reviews of the sustainability practices at the SURTECO Group.

When assessing the impacts, risks and opportunities the SURTECO Group also took account of potential silent stakeholders like the environment. Information about the status of the environment was collected from academic studies, monitoring channels and environmental impact assessments of legitimate representative organizations and this information was used by the SURTECO Group as input for the materiality analysis of the impacts, dependencies and as necessary the resulting risks and opportunities.

Taking into account the organizational contexts and the facts summarized in ESRS 1 paragraph AR 16 and the preliminary list (“Long List”) of the identified topics, the SURTECO Group drew a distinction as to which sustainability topics should be included in the assessment and continued the process as outlined in the next step.

- Step 2: Identification of impacts, risks and opportunities in relation to sustainability aspects

The SURTECO Group applied the principle of double materiality in order to identify how activities exert an effect on society and the environment (inside-out perspective). The Group also took into account how sustainability can influence the business (outside-in perspective).

In the case of each potential factor and each activity of the value chain, namely Resources and Value Chain, Operations, Logistics and Sales, Processing of Products, End Use and End Life Cycle, the SURTECO Group identified the activities and their impacts on the environment and society, and the resulting risks and opportunities, such as e.g. impacts on supply, own operations, market positioning, the company’s reputation or even through regulatory changes. The analysis was carried out for every factor at the level of topic, sub-topic and sub-sub-topic, and the result of the screening carried out in the previous step was taken into account.

The impacts were then classified according to their positive or negative effect and the timeframe, current or potential.

- Step 3: Impact assessment and financial evaluation

Carrying out a materiality analysis within the framework of the CSRD demands an impact dimension and a financial dimension. The following items describe the criteria applied by the SURTECO Group for the assessment of the impacts and the financial materiality of the impacts, risks and opportunities identified in the previous step. The thresholds were established in accordance with the requirements of ESRS 1 but also taking into account the own activities and circumstances of the SURTECO Group.

Materiality impacts

The assessment of an impact differs in terms of its effects as to whether they are positive or negative, or in terms of their actual or potential timeframe.

Negative impacts are assessed according to their severity. This is characterized by their magnitude (the extent of the impact or effect), their extent (the spread or expansion of the impact on the environment or individuals) and their reversibility (remediation or reinstatement of the impact). The assessment in the case of positive impacts is based on extent and scope.

Negative Impact = Severity (Extent + Scope + non-remediable Character)

or

Positive Impact = Extent + Scope

When assessing potential impacts, the probability must be taken into account. According to the type, this is measured as follows:

Potential Negative Impacts = Severity x Probability

or

Potential Positive Impact = (Extent + Scope) x Probability

After taking the impacts into account, the SURTECO Group defined five levels for each attribute (Extent, Scope, Remediable Character): insignificant, minor, moderate, major and critical, with a graded points score from 1 to 5. A description has been appended to each score for purposes of guiding selection in order to assist in decision-making.

Owing to the diversity of topics that it would be possible to cover within the scope of the assessment and to provide improved support in deciding on the selection of the points score, an individual description of the expansion of the scale was added.

The criteria and the quantitative threshold values for Extent, Scope and Remediability defined by the SURTECO Group are described in the following table.

| | | Impacts Criteria | | | | | |
|--------|--------------------------------------|--|---|--|---|---|--|
| Score | | Insignificant (1) | Minor (2) | Moderate (3) | Major (4) | Critical (5) | |
| Scale | Extent of the impact (General) | Negligible effect | Noticable but contained impact | Intermediate consequences | Substantial and sustained impact, leads to serious consequences | Pervasive impacts, leads to irreversible consequences | |
| | Environmental | Energy | Energy consumption per site < 100 Tep/year | Energy consumption per site between 100 - 250 Tep/year per site | Energy consumption per site between 250 - 500 Tep/year per site | Energy consumption per site between 500 - 1 000 Tep/year per site | Energy consumption per site > 1 000 Tep/year per site |
| | | Climate Change | Lower energy consumption (< 250 Tep/year) with a share of renewable sources > 80%; CO ₂ emission factor for electricity < 0,1 kg/kWh | Moderate energy consumption (250 - 500 Tep/year) with a share of non-renewable sources < 40%; CO ₂ emission factor for electricity between 0,1 - 0,3 kg/kWh | Intensive energy consumption (> 500 Tep/year) with a share of non-renewable sources > 40%; CO ₂ emission factor for electricity > 0,3 kg/kWh | Very high intensive energy consumption (> 1 000 Tep/year) with a share of non-renewable sources > 70%; CO ₂ emission factor for electricity > 0,6 kg/kWh | High Climate Impact Sectors |
| | | Water | Site located in a water scarcity area with a very low risk and use equivalent to domestic (drinking water, canteens, WC's, showers) | Site located in a water scarcity area with a low risk and low water consumption (used in support operations) | Site located in a water scarcity area with a medium risk and moderate water consumption (used in support operations) | Site located in a water scarcity area with a high risk and intensive water consumption (incorporation in the product) | Site located in a water scarcity area with a very high risk and intensive water consumption (incorporation in the product) |
| | | Pollution | No legal emission limit Microplastics impact is negligible | Emissions 50% below the limit value. Internal leaks of microplastics, measures implemented are efficient. | Emissions 25% below the limit value. Internal leaks of microplastics with high impact | Emissions less than 10% below the limit value. Internal leaks of microplastics with high impact | Exceedance of the emission limit value. External accidental release of microplastics (transportation) |
| | | Social | Work Health & Safety | Injury or illness require first aid treatment. No lost time days. | Injury or illness require medical treatment. Lost time days between 1 to 30 days | Serious injury or illness causing temporary disability. Lost time days > 30 days | Significant/extensive injury or illness. Permanent partial disability |
| | Magnitude of the Impact | | Local One or two sites are/can be affected | Regional One or two sites are/can be affected | National Less than 30% of the sites are/can be affected | Continental Between 30 and 80% of the sites are/can be affected | Global More than 80% of sites are/can be affected |
| Remedy | Irremediable character of the impact | Negligible effect Measures implemented are sufficient | Short-term effect Easy to fix, measures implemented require adjustments | Medium-term effect Difficult to fix, remediation involves cost and time | Long-term effect Very difficult to fix, remediation involves high cost | Irremediable. | |

The SURTECO Group also defined five levels of probability: very improbable, improbable, possible, probable and almost certain, with an assessment of 0 to 1. In view of the diversity of the topics involved and in order to provide better support for decision-making in selection, a description of the probability of occurrence and frequency was also taken into account (see table below).

The criteria defined by the SURTECO Group and the quantitative threshold values for the probability are described in the following table.

| Score | Probability | Likelihood Criteria | | |
|-------|-------------|---------------------|--|---|
| | | | Description | Frequency |
| 0.9 | > 90% | Almost Certain | Event is expected to occur or has occurred with frequency | Once or more during next year |
| 0.75 | 60 – 90% | Likely | Event will probably occur or has occurred occasionally | Likely once or more in the next 1-2 years |
| 0.6 | 40-59% | Possible | Event may occur occasionally or has occurred once | Possible once or more in the next 2-3 years |
| 0.3 | 10-39% | Unlikely | Event is unlikely to occur but is a possibility or has occurred in exceptional circumstances | At least once in the next 3-5 years |
| 0.1 | <10% | Rare | Event not expected to occur, only in exceptional circumstances. Never occur | Potentially once in the next 5-10 years |

The criteria and threshold values defined by the SURTECO Group for the impact assessment and the financial evaluation were based on the knowledge, circumstances and practices of the organization but also on the degree of criticality of the various issues, regulations and impact assessments carried out by other organizations.

Financial materiality

Risks and opportunities generally result from impacts or dependencies and they are assessed on the basis of the probability of occurrence and the extent of the financial impacts:

Risk or Opportunity = Extent x Probability

The scale of the assessment carried out by the SURTECO Group took into account the following quantitative threshold value. The probability criteria for the financial assessment were the same as described in the impact assessment.

The SURTECO Group defined five stages for the magnitude: insignificant, minor, moderate, major and critical, with a graded points score of 1 to 5. Similar to the scaling criteria described in the impact assessment, the order of magnitude also adopted the same approach. A generic description was applied so as to characterize the five point scores. A detailed description was added to support the selection of the score in the case of effects occurring in connection with Operations & Technology and Reputation. If risks and opportunities arose resulting from other factors such as strategy, market positioning, legal issues and regulations, or in some other way, without yet showing any differentiation, they were assessed in accordance with the criterion “Magnitude”. A detailed description for other factors regarded as relevant is currently under development, as well as the inclusion of other financial effects, such as the incorporation of current effects and their short, medium and long-term impacts.

| Score | | Risks & Opportunities Criteria | | | | |
|---------------------|-------------------------|--|--|--|--|---|
| | | Insignificant (1) | Minor (2) | Moderate (3) | Major (4) | Critical (5) |
| Potential Magnitude | Magnitude (General) | Negligible effect | Noticable but does not have significantly effect | Measurable influence on business activities, may require adjustments but does not severely disrupt | Significant financial losses, causes disruptions that are challenging to recover from | Severe threat to the business's survival as a going concern |
| | Operations & Technology | None or business interruption < 8 hours. Not affect production or deliveries. None or slight damage to property or equipment | Business interruption between 8 - 24 hours. Operational disruption manageable. Low damage to property or equipment | Business interruption between 24 - 48 hours. Operational impact with effect on deliveries. Moderate damage to property or equipment. | Business interruption until 1 week. Major operational impact with high effect in key deliveries. Major damage to property or equipment | Business interruption of several weeks. Shutdown of key operational process and significant long-term impact. Massive damage to property or equipment |
| | Reputation | Isolated media attention. Little to no broader stakeholder interest | Minor adverse media attention, but no impact to reputation or lasting concern to stakeholders | Substantial short-term damage to reputation on one or more site. Short-term adverse media attention. Impact on key partnerships | Major negative publicity and damage to the company reputation. Major adverse media attention. Breakdown or termination on operational partnerships | Reputation and standing of company affected. Long-term adverse media attention. Breakdown or termination of strategic partnerships |

Assessment

The SURTECO Group continues on the basis of the described methodology in relation to the list of impacts, risks and opportunities that were identified in the previous scope and takes into account the organizational context with the analysis of their materiality. The results of the assessment in terms of the impacts, risks and opportunities were compared with the information of the risk assessment system in order to review the suitability of the methodology, which reflects the reality of business conditions.

- Step 4: Determination of material impacts, risks and opportunities, and the associated sustainability aspects

A sustainability aspect is identified as material if an impact, a risk or an opportunity is identified as material.

The SURTECO Group applied the following criteria to the identified material impacts from the individual impact assessment and the financial assessment, taking into account their impacts and their timeframe, their risks and opportunities. All impacts, risks and opportunities that were classified as “material” or higher correspond to the quantitative threshold defined below.

| | Material | | | | |
|---------------------------|----------|----------|-----------|-----------|-----------|
| | Low | Moderate | Essential | High | Very High |
| Possible negative effects | <3.5 | 3.6-7.1 | 7.2-10.1 | 10.2-13.1 | >13.2 |
| Actual negative effects | <3.5 | 3.6-7.1 | 7.2-10.1 | 10.2-13.1 | >13.2 |
| Possible positive effects | <2.3 | 2.4-4.7 | 4.8-6.7 | 6.8-8.7 | >8.8 |
| Actual positive effects | <2.3 | 2.4-4.7 | 4.8-6.7 | 6.8-8.7 | >8.8 |
| Financial impact | <1.1 | 1.2-2.3 | 2.4-3.3 | 3.3-4.3 | >4.4 |

In addition to the threshold values referred to above, the SURTECO Group has also established that a potential impact is classified as material if at least one of the severity criteria Scale, Scope or Irremediable Character is assessed with the highest point score of “critical”.

DR SBM-3 can be found under the strategy section of this reported standard and it provides an overview of the material sustainability aspects identified by the SURTECO Group in accordance with the presented methodology.

- Step 5: Identification of material DRs

As soon as a factor has been identified as material, the SURTECO Group determines which DRs should be disclosed in the relevant thematic ESRS. DR IRO-2 can be found under the impacts, risk and opportunity management section of this reported standard. It includes a list of disclosure requirements, which form part of this sustainability statement. DR SBM-3 can be found under the strategy section of this reported standard and it identifies the interaction between the material impacts, risks and opportunities, and the strategy and the business model of the SURTECO Group.

DR IRO-2: Disclosure Requirements in ESRS covered by the undertaking’s sustainability statement

The DRs in the ESRS are listed in the following table as a result of the material analysis. These were identified by the SURTECO Group as material and they were included in this Sustainability Statement.

Our company determines material information by means of a clearly defined process. Initially, we identify potentially relevant topics from internal analyses, stakeholder surveys, sector-specific standards and regulatory requirements. These topics are assessed for their impacts on the environment, society and business, and also for their financial relevance. During the course of the process, we consider thresholds such as values with a definite financial significance or which exert major impacts on our value chain. The assessment is carried out on the basis of criteria in ESRS 1 Section 3.2: We check which topics exert substantial impacts on sustainability aspects, or influence the long-term performance of the company, or are of key importance to stakeholders. Regular updates guarantee that the approach takes account of new developments and expectations that are undergoing change.

DRs covered in the sustainability statement

| Standard | Chapter | Disclosure Requirement | Paragraph | |
|--|---|---|--|---|
| ESRS 2 | Governance | DR GOV-1: The role of the administrative, management and supervisory bodies | 1 | |
| | | DR GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 2 | |
| | | DR GOV-3: Integration of sustainability-related performance in incentive schemes | 3 | |
| | | DR GOV-4: Statement on due diligence | 4 | |
| | | DR GOV-5: Risk management and internal controls over sustainability reporting | 5 | |
| | Strategy | DR SBM-1: Strategy, business model and value chain | 1 | |
| | | DR SBM-2: Interests and views of stakeholders | 2 | |
| | | DR SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model | 3 | |
| | Impact, risk and opportunity management | DR IRO-1: Description of the process to identify and assess material impacts, risks and opportunities | 1 | |
| | | DR IRO-2: Disclosure Requirements in ESRS covered by the undertaking's sustainability statement | 2 | |
| | | MDR-P: Policies adopted to manage material sustainability matters | 3 | |
| | | MDR-A: Actions and resources in relation to material sustainability matters | 4 | |
| | Metrics and targets | MDR-M: Metrics in relation to material sustainability matters | 1 | |
| | | MDR-T: Tracking effectiveness of policies and actions through targets | 2 | |
| | ESRS E1 | Governance | DR related to ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes | 1 |
| | | Strategy | DR E1-1: Transition plan for climate change mitigation | 1 |
| DR related to ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model | | | 2 | |
| Impact, risk and opportunity management | | DR related to ESRS 2 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities | 1 | |
| | | DR E1-2: Policies related to climate change mitigation and adaptation | 2 | |
| | | DR E1-3: Actions and resources in relation to climate change policies | 3 | |
| Metrics and targets | | DR E1-4: Targets related to climate change mitigation and adaptation | 1 | |
| | | DR E1-5: Energy consumption and mix | 2 | |
| | | DR E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions | 3 | |
| | | DR E1-7: GHG removals and GHG mitigation projects financed through carbon credits | 4 | |
| | | DR E1-8: Internal carbon pricing | 5 | |

DRs covered in the sustainability statement

| Standard | Chapter | Disclosure Requirement | Paragraph |
|----------|--|---|-----------|
| | | DR E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities | 6 |
| ESRS E2 | Impact, risk and opportunity management | DR related to ESRS 2 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities | 1 |
| | | DR E2-1: Policies related to pollution | 2 |
| | | DR E2-2: Actions and resources related to pollution | 3 |
| | Metrics and targets | DR E2-3: Targets related to pollution | 1 |
| | | DR E2-4: Pollution of air, water and soil | 2 |
| | | DR E2-5: Substances of concern and substances of very high concern | 3 |
| | | DR E2-6: Anticipated financial effects from material pollution-related risks and opportunities | 4 |
| ESRS E3 | Water and marine resources standard not covered in the sustainability statement - under the materiality assessment no topics were identified as material. Most of the water is used for cooling or cleaning purposes and discharged back into the public drainage system or even rivers after appropriate treatment and processing. Only a very small proportion of the volume of water withdrawn is associated with the manufacture of inks and varnishes. The assessment took into account the amount of water used by each SURTECO site, the purpose of its use and total annually consumption. The level of water stress at each location was also analysed. | | |
| ESRS E4 | Biodiversity and ecosystems standard not covered in the sustainability statement - under the materiality assessment no topics were identified as material. The majority of SURTECO's production sites are in industrial areas or other business parks, although SURTECO also has some operational premises close to protected nature conservation areas. No relevant impacts were identified on biodiversity or ecosystem. SURTECO defines strict rules for plants located near flowing bodies of water so that production does not lead to any recordable impacts on the surrounding fauna and flora. The assessment also took in consideration the impact in value chain, especially due to the use of paper raw materials. All paper raw material used by SURTECO are certified accordingly with FSC or PEFC, meaning that materials come from sustainable sources. | | |
| ESRS E5 | Impact, risk and opportunity management | DR related to ESRS 2 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities | 1 |
| | | DR E5-1: Policies related to resource use and circular economy | 2 |
| | | DR E5-2: Actions and resources related to resource use and circular economy | 3 |
| | Metrics and targets | DR E5-3: Targets related to resource use and circular economy | 1 |
| | | DR E5-4: Resource inflows | 2 |
| | | DR E5-5: Resource outflows | 3 |
| | | DR E5-6: Anticipated financial effects from material resource use and circular economy-related risks and opportunities | 4 |
| ESRS S1 | Strategy | DR related to ESRS 2 SBM-2: Interests and views of stakeholders | 1 |
| | | DR related to ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model | 2 |

DRs covered in the sustainability statement

| Standard | Chapter | Disclosure Requirement | Paragraph |
|----------|--|---|-----------|
| | Impact, risk and opportunity management | DR S1-1: Policies related to own workforce | 1 |
| | | DR S1-2: Processes for engaging with own workforce and workers' representatives about impacts | 2 |
| | | DR S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns | 3 |
| | | DR S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | 4 |
| | Metrics and targets | DR S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 1 |
| | | DR S1-6: Characteristics of the undertaking's employees | 2 |
| | | DR S1-7: Characteristics of non-employees in the undertaking's own workforce | 3 |
| | | DR S1-8: Collective bargaining coverage and social dialogue | 4 |
| | | DR S1-9: Diversity metrics | 5 |
| | | DR S1-10: Adequate wages | 6 |
| | | DR S1-11: Social protection | 7 |
| | | DR S1-12: Persons with disabilities | 8 |
| | | DR S1-13: Training and skills development metrics | 9 |
| | | DR S1-14: Health and safety metrics | 10 |
| | | DR S1-15: Work-life balance metrics | 11 |
| | | DR S1-16: Remuneration metrics (pay gap and total remuneration) | 12 |
| | | DR S1-17: Incidents, complains and severe human rights impacts | 13 |
| ESRS S2 | Workers in the value chain standard not covered in the sustainability statement - under the materiality assessment no topics were identified as material. The assessment considered SURTECO main suppliers' location and areas at risk. Is in motion a worldwide screening analysis within the scope of the Supply Chain Act that will improve completeness and accuracy of the assessment. | | |
| ESRS S3 | Affected communities standard not covered in the sustainability statement - under the materiality assessment no topics were identified as material. The assessment took in consideration the location of SURTECO plants and its proximity to communities, with the majority being in industrial areas. For the value chain, in particular suppliers of paper raw materials, SURTECO use materials certified accordingly with FSC and PEFC. | | |
| ESRS S4 | Consumers and end-user's standard not covered in the sustainability statement - under the materiality assessment no topics were identified as material. Given the characteristics of SURTECO products, classified as articles, and its business-to-business model, no relevant risks are expected to occur from its use. | | |
| ESRS G1 | Governance | DR related to ESRS 2 GOV-1: The role of the administrative, supervisory and management bodies | 1 |

DRs covered in the sustainability statement

| Standard | Chapter | Disclosure Requirement | Paragraph |
|----------|---|---|-----------|
| | Impact, risk and opportunity management | DR related to ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities | 1 |
| | | DR G1-1: Corporate culture and business conduct policies and corporate culture | 2 |
| | | DR G1-2: Management of relationships with suppliers | 3 |
| | | DR G1-3: Prevention and detection of corruption and bribery | 4 |
| | Metrics and targets | DR G1-4: Confirmed incidents of corruption or bribery | 1 |
| | | DR G1-5: Political influence and lobbying activities | 2 |
| | | DR G1-6: Payment practices | 3 |

MDR-P: Policies adopted to manage material sustainability matters

Our interpretation of sustainability

Sustainability is an integral component of the corporate strategy. This decision was taken by our Management Board and it is supported by our Supervisory Board. The SURTECO Group perceives an obligation to act not only in the economic interests of the shareholders but simultaneously to conserve the resources of our planet. Acting sustainably entails the need to ensure durably viable development in economic, environmental and social terms. This approach takes account of the needs of current generations today without robbing future generations of the opportunity to fulfil their own aspirations.

Focuses of sustainable business

By adopting the Sustainable Development Goals (SDGs) of the UN, the community of nations has made a commitment to work together and contribute jointly to improving economic, environmental and social development by 2030. The SDG Agenda is intended to decisively drive forward global activities with a set of 17 Global Goals and 169 targets. The individual goals are closely linked together and exert an influence on each other in a variety of different ways.

The SURTECO Group firmly believes that attainment of these goals is the mission of all the societal players involved and is therefore also a mission for commercial enterprises. They provide the framework for what companies have to achieve in order to continue to be able to do business successfully in the future. Without neglecting the perspective of a holistic approach to the goals, the SURTECO Group analyses the priorities for developing its sustainability strategy in a continuous process. The SURTECO Group evaluated its business activities in the course of this procedure. On this basis, seven SDGs from the UN sustainability goals were identified that the SURTECO Group can exert a major influence on. Partnerships for achieving the goals (SGD 17) complement the strategy. The defined goals were included in the strategy of the SURTECO Group. The measures derived from this analysis are presented in the table below.

| Target number | Sustainable Development Goal (SDG) | SURTECO Group Measure for implementation |
|---------------|---|--|
| 3 | Health and well-being | - Occupational health and safety - Compatibility of work and family |
| 5 | Gender equality | - Diversity - Women in management positions |
| 6 | Clean water | - Reduction of water consumption - Wastewater management |
| 8 | Decent work and economic growth | - Working conditions - Code of conduct for suppliers |
| 9 | Industry, innovation and infrastructure | - State-of-the-art technology - Product and process innovations |
| 12 | Sustainable consumption and production | - Minimizing the use of resources and energy - Process optimization |
| 13 | Climate protection measures | - Emission minimization - Waste management |
| 17 | Partnerships to achieve all goals | - Emission minimization - Waste management |

The corporate opportunities for the SURTECO Group are essentially available in the development of innovative products. The development focus is on areas such as the reduction of the use of materials and exchanging fossil-based raw materials for recycled or renewable raw materials. The risks associated with production of these products are being reduced and the waste generated is also being cut down. Opportunities also emerge from the continuously growing size of the global population and associated growth in sales markets. Living space is one of the existential basics of life. The products of the SURTECO Group meet these requirements with the surfaces for affordable and resilient household furniture. Each of the 26 operational locations of the company across the world will be reviewed for potential risks and opportunities with a view to optimization. The results of our investigations are being included in our group-wide risk controlling, analysed for urgency and relevance, and the appropriate measures will be implemented where possible. The inspection of operational facilities will be carried out at regular intervals in accordance with local circumstances and will take into account changes that have occurred at local level. Risks for the SURTECO Group primarily lie in changed statutory regulations, fluctuations in energy prices and in the availabilities of materials over the long term. The Group is a member of the SBTi (Science Based Targets Initiative).

| Society | Business unit | City | Country |
|------------------------------------|-----------------------------------|------------------------|----------------|
| SURTECO GROUP SE | - | Buttenwiesen | Germany |
| SURTECO GmbH | Surfaces | Buttenwiesen | Germany |
| SURTECO GmbH | Surfaces | Halle (Saale) | Germany |
| SURTECO GmbH | Surfaces | Laichingen | Germany |
| SURTECO GmbH | Surfaces | Sassenberg | Germany |
| Surteco Art GmbH | Surfaces | Willich / Neersen | Germany |
| DAKOR Melamin Imprägnierungen GmbH | Surfaces | Heroldstatt | Germany |
| Kröning GmbH | Surfaces | Hüllhorst | Germany |
| Gislaved Folie | Surfaces | Gislaved | Sweden |
| SURTECO GmbH | Edgebands | Gladbeck | Germany |
| PROADEC Portugal, S.A. | Edgebands | Vila do Conde | Portugal |
| PROADEC Brasil Ltda | Edgebands | São José dos Pinhais | Brasil |
| Döllken Profiles GmbH | Profiles | Bönen | Germany |
| Döllken Profiles GmbH | Profiles | Grammetal | Germany |
| Döllken Profiles GmbH | Profiles | Dunningen | Germany |
| Nenplas Limited | Profiles | Ashbourne | UK |
| Polyplas Extrusions Limited | Profiles | Stourport on Severn | UK |
| SURTECO Canada Ltd. | North America | Brampton | Canada |
| SÜDDEKOR LLC | North America | Agawam | USA |
| SURTECO USA Inc. | North America | Greensboro | USA |
| BauschLinnemann North America | North America | Myrtle Beach | USA |
| PT. Doellken Bintan | Asia Pacific | Batam | Indonesia |
| SURTECO Australia Pty. Ltd. | Asia Pacific | Sydney Arndell Park | Australia |
| SURTECO Italia s.r.l. | Surfaces Edgebands Profiles | Zero Branco | Italy |
| SURTECO France S.A.S | Surfaces Edgebands Profiles | Beaucouzé | France |
| Döllken Profiles GmbH | Profiles | Sosnowiec | Poland |
| Döllken Profiles GmbH | Profiles | Praha | Czech republic |
| SURTECO OOO | Surfaces Edgebands Profiles | Moscow | Russia |
| SURTECO UK Ltd. | Surfaces Edgebands Profiles | Burnley | UK |
| Chapacinta | Edgebands | Tultitlán | Mexico |
| SURTECO Australia Pty. Ltd. | Asia Pacific | Brisbane Capalaba | Australia |
| SURTECO Australia Pty. Ltd. | Asia Pacific | Melbourne | Australia |

| | | | |
|-------------------------------------|---------------|-----------|-----------|
| SURTECO Pte. Ltd. | Asia Pacific | Singapore | Singapore |
| SURTECO China | Asia Pacific | Foshan | China |
| SURTECO Japan | Asia Pacific | Tokyo | Japan |
| SURTECO North America Inc | North America | Auburn | USA |
| SURTECO North America Inc | North America | Solon | USA |
| SURTECO North America Inc | North America | Columbus | USA |
| SURTECO North America Inc | North America | Jeannette | USA |
| SURTECO North America Inc | North America | Monroe | USA |
| Omnova Engineered Surfaces Co. Ltd. | North America | Rayong | Thailand |

MDR-A: Actions and resources in relation to material sustainability matters

The SURTECO Group directs its sustainability activities towards topics that are essential for the long-term success of an industrial company operating on the global stage. These include the areas of product development, corporate processes, value chain, culture and people, as well as corporate governance. Each of these areas is based on concrete and binding key themes for the long-term orientation of the company. The sustainability team appointed by the Management Board is the office with central responsibility for sustainability at the SURTECO Group. It coordinates and manages the sustainability strategy of the Group and makes recommendations for targets and measures. Process owners and sustainability managers at the global locations ensure operational implementation of the sustainability targets. They take over responsibility for the sustainable organization in their area and coordinate activities.

Sustainability management covers all entrepreneurial activities that relate to the arrangement, control and tracking of a sustainable, long-term development of the company that is consistent with the requirements of corporate governance, the environment and social concerns. The sustainability team communicates with the Management Board through regular reporting and coordinates ongoing action with the Board. As part of strategic controlling for the Group, the Management Board keeps the Supervisory Board, and the Audit Committee informed by providing regular, comprehensive and prompt reports about issues related to sustainability and attainment of targets. As part of annual reporting, the Audit Committee of the Supervisory Board engages with sustainability reporting and reports to the plenary session on its findings. The employees of the Group, the process owners at the locations and the sustainability managers receive their information through the group-wide management system and on the Intranet. The relevant sources of information for the general public are provided by this report and the Internet portal of the company. The communication channel to our stakeholders is our sustainability report, which has been published annually since 2017. The following table presents planned, ongoing and already concluded measures and the expected results. The planned investment volume for sustainability will not be disclosed in the year under review.

| Measure | Status | Expected results |
|---|---------------|--|
| Reduction of greenhouse gases | Ongoing | Red. of environmental impact, reputation |
| Reduction of VOC emissions | Ongoing | Compliance with regulatory requirements |
| Reduction/avoidance of SOC and SVHC | Ongoing | Compliance with legal limits |
| Internal recycling | Ongoing | Conservation of resources |
| Avoiding microplastics | Ongoing | Prevention of environmental pollution |
| Use of recycled or renewable raw materials | Ongoing | Conservation of resources |
| Waste avoidance | Ongoing | Conservation of resources |
| Reduction of specific energy consumption | Ongoing | Conserving resources, avoiding emissions |
| Maintenance of legal register | Ongoing | Compliance with legal requirements |
| Appropriate remuneration | Ongoing | Employee retention |
| Employee qualification | Ongoing | Employee retention, building up know-how |
| Career development | Ongoing | Employee retention |
| Successor regulations | Start in 2025 | Employee retention, know-how retention |
| Occupational safety | Ongoing | Employee health, reputation |
| Gender equality | Ongoing | Employee equality and retention |
| Value-oriented corporate culture | Ongoing | Employee retention |
| Compliance with the Code of Conduct | Ongoing | Compliance with legal requirements, reputation |
| Compliance with the Code of Conduct in the supply chain | Ongoing | Compliance with legal requirements, reputation |

Measures against corruption and breaches of the law

The SURTECO Group has issued a guideline for measures relating to anti-corruption in the entire Group as part of the Compliance Management System. A training concept is currently in the implementation phase to provide department-specific content such as raising awareness of anti-corruption, conflicts of interest, anti-trust and competition law and money laundering, alongside general compliance training.

Risks of corruption in the Group are investigated as part of the internal audits carried out on a continuous basis. Furthermore, the SURTECO Group has set up a whistleblower system at all locations throughout the world to give employees inside and outside the company an opportunity to report breaches anonymously.

Metrics and targets

MDR-M: Metrics in relation to material sustainability matters

Emissions and waste

The SURTECO Group is pursuing a clearly defined sustainability strategy directed towards climate protection, resource conservation and adaptation to climate change. The target is to reduce CO₂ and other emissions over the long term and to achieve climate neutrality by 2045. In order to achieve this goal, the company is committed to gradual transition to renewable energies, optimization of production processes and increased use of sustainable materials, as well as eliminating the use of solvents in order to achieve these objectives. This is our goal wherever it is technologically possible and compatible with the high demands of product quality.

A key element of the strategy is the preparation of a group-wide transition plan that encompasses measures for decarbonization, efficiency enhancement and sustainable use of resources. Adjustment to climate-related risks is guaranteed by continuous analyses of supply chains, locations and production methods. Physical risks as a result of extreme weather events and regulatory developments play a key role in this process.

The SURTECO Group is focusing on technological innovations and strategic development of its product portfolio in order to achieve success in shaping the transformation process. A detailed action plan to reduce emissions along the entire value chain is currently being developed further in order to achieve the ambitious climate goals.

The indicators collected internally include CO₂ emission levels, waste generation rates, internal recycling rates and product-related specific energy volumes in production. These are derived from the identified IROs on the basis of the topics of climate change, environmental pollution and circular economy.

Social

The SURTECO Group endeavours to offer its employees a working environment that promotes professionalism and development opportunities. On the one hand, this is intended to maintain the health of employees and, on the other hand, to enhance the operational performance of the company as a whole. The workforce is therefore provided with a detailed explanation of the company's principles. The capabilities and motivation of each individual employee, their commitment to the quality of the results of their work, and their compliance with environmental protection, occupational health and safety are promoted on an individual basis and within the team. The SURTECO Group strives to support its employees in order to achieve these goals. Not least for this reason, the involvement of employees in a broad and in-depth integration within a permanent process of continuous improvement is a top priority.

The indicators collected internally include fluctuation rate, length of service with the company and sick-ness days. These are derived from the identified IROs, such as job satisfaction, occupational safety, gender equality and fair remuneration.

Qualified employees

The Group management of the SURTECO Group, the site managements and all employees are integrated within a process of continuous improvement. Alongside training sessions and qualification measures, the regulations, processes, rules and instructions embedded within the management system form the

foundation for ensuring the productivity of the employees. This platform allows them to review your own measures and results, and to identify potential. This is used to identify further risks and opportunities and to introduce appropriate measures.

Environmental protection and safety are integral components of the responsibility of the Group management, the site managers, the departmental and operations managers, and indeed all employees. Our employees have an obligation to comply with the regulations applicable in their area of activity, to develop procedures and working practices, and to ensure that important information is passed on and the necessary documentation is prepared.

Supervisors promote a sense of responsibility and commitment to making improvements. Employees are familiar with their functions and with the relationship between those functions and corporate policy, strategy and objectives. All participants are involved in project identification. Performance-oriented team work is deliberately fostered.

The SURTECO Group supports the development of its employees through individual and regular training sessions in all segments of the Group. Over the reporting year, employees spent 46,610 hours on participation in a variety of training and development programmes. During the reporting year 2024, the group-wide fluctuation rate was 16 %. The average length of service was 12.8 years (2023: 12.6 years) in 2024 and the average age of all employees amounted to 43.8 years following on from 44.1 years in the previous year. The indicators defined as KPI indicators such as fluctuation rate and length of service reflect a number of factors including the influence of measures to promote employee loyalty, which are part of the strategic goal of long-term personnel development.

Equal opportunity for women and men

Diversity determines the corporate culture of the SURTECO Group. Employees from more than 50 different countries are committed worldwide throughout the Group.

The diversity concept of the SURTECO GROUP for the composition of the Management Board and the Supervisory Board is based on the recommendations of the German Corporate Governance Code. This states that at least one woman should be a member of the Management Board and the Supervisory Board. It has not so far been possible to appoint a woman to the Management Board and the Supervisory Board although appropriate efforts have been made to achieve this.

A guiding principle is that when members of the Supervisory Board are elected or re-elected, they should if possible not be older than 75 years of age. The statutory retirement age applies as the maximum age for Members of the Management Board. A competence profile is used when looking for suitable candidates for election to the Supervisory Board or appointment to the Management Board. This focuses particular attention on the occupational background and the specialist qualification of the candidates.

The internally surveyed indicators include diversity indicators, length of service and number of nationalities. These metrics are derived from the identified IRO, such as gender equality.

Occupational safety

SURTECO guarantees the necessary level of safety and its continuous improvement with a variety of audits, reviews and checks. Production plants and other technical installations, warehouses, and laboratories are recorded at all the locations. The realized safety concepts are put on the test stand during the course of audits. If there are any non-conformities with the standard, appropriate corrections are carried out that are agreed with the responsible process owners. Their implementation is then checked at regular intervals. Employees are informed about the risks entailed by their work in the context of workplace safety and occupational health and safety. Systematic checks are carried out at workstations where hazardous substances are handled.

The efforts to avoid occupational accidents are a constituent element of production activity and require supervisors to work continuously at enhancing the motivation of employees. Insofar, the number of occupational accidents can be continuously reduced, even if they cannot be entirely avoided.

During the course of the reporting year 2024, 101 occupational accidents occurred throughout the Group for 6,929,991 hours worked. This is equivalent to a quota of 14.6 occupational accidents for each one million working hours.

The indicators defined as KPI for the topic of occupational safety include accident statistics, along with fluctuation rate and length of service.

Distribution of value added

The activities of the SURTECO Group as an employer, as a company sourcing local products and services, and as a contributor of taxes and deductions support the local economic development in the individual regions and countries. The value added contributed by the SURTECO Group directly and indirectly increases the individual living standards of the population. The Group is not aware of any notable negative impacts of its activities on the local community.

In the business year 2024, SURTECO generated an aggregate value added (sales revenues and other expenses less cost of materials, depreciation and amortization) amounting to around 266.9 million euros. This value added was allocated to employees, shareholders, and to tax expenses and lenders (interest payments). Around 8.0 million euros were retained in the company.

| Value added and allocation to the stakeholders of SURTECO | | |
|---|--------------|------------|
| € million | 2023 | 2024 |
| Value added | 228.3 | 266.9 |
| Employees (personnel expenses) | -218.1 | -226.9 |
| Shareholders (dividends) | -10.9 | 0.0 |
| Government (taxes) | -2.7 | -11.7 |
| Lenders (interest) | -17.5 | -20.3 |
| Remaining in the company | -20.9 | 8.0 |

Customer orientation

The SURTECO Group maintains permanent contact with its customers. The latter receive support in applying and using the products. The service range also encompasses comprehensive product information and this focuses in particular on optimum application.

The Group's corporate goal is to rank among the world's most attractive suppliers in the furniture industry. With this end in mind, the Group is consistently improving its products and services not least in the interests of sustainability. Quality is therefore primarily defined by assessment criteria as specified by customers for the company. These need to be complied with as cost-effectively and completely as possible. The SURTECO Group concentrates primarily on:

- Excellent and reproducible product characteristics
- Reliability of delivery
- Attractive price-performance ratio
- Specific commercial and application support
- Development of products and services that open up new opportunities for customers

The SURTECO Group supports the sales success of customers in their markets through the quality and performance of its products. This creates the platform for the SURTECO Group's own success. Generally speaking, the company strives to achieve cooperation based on partnership with current and future customers. A cooperative relationship permits a comprehensive understanding of the relevant markets and early identification of new requirements for products and procedures. Consequently, customers will receive important information and as necessary assistance in ensuring safe and environmentally compatible processing, storage, transport and disposal of products.

Values, principles, standards and conduct guidelines

The trust of customers, lenders, employees, government authorities and the general public is exceptionally important for the company. A key factor for this is the conduct in business affairs. The SURTECO Group regulates this conduct in its Code of Conduct. It defines the corporate culture and the principles in dealing with business partners, employees and third parties. The Code is issued to every employee and explanations are provided. This has been assisted by translating the Code into all national languages relevant for the Group. The standards and norms of behaviour are communicated by objective guidelines that are communicated as part of the Compliance Management System. The SURTECO Group has developed a dedicated suppliers' Code of Conduct for suppliers and service providers. The Code defines mandatory requirements as a foundation for deliveries which are based on international conventions such as the United Nations Human Rights Declaration, the guidelines for children's rights and business conduct, economy and human rights, labour standards and the United Nations Global Compact.

| Monitored Metrics | | | |
|---------------------------------|----------------------------|----------------------|------------------|
| | Unit | Frequency of Queries | Reference to SDG |
| Lost Time Frequency Injury Rate | [acc. / 1 mil h] | monthly | 3, 8 |
| Absenteeism | [%] | monthly | 3, 8 |
| Gross Waste | [%] | monthly | 12, 13 |
| Recycling Rate | [%] | monthly | 12, 13 |
| On Time Delivery | [%] | monthly | 9, 12 |
| Output Performance | [kg, m ² , rm] | monthly | 8, 9 |
| Employee Training | [training h / empl.] | monthly | 8 |
| Women in Management Positions | [%] | annually | 5 |

MDR-T: Tracking effectiveness of policies and actions through targets

In spite of a great deal of care and accuracy, the sustainability indicators collected to date are subject to a certain degree of inaccuracy and uncertainty. Another factor is that some data are currently only collected once a year and this leads to a loss of transparency. We will not therefore disclose any further measurable, result-oriented and time-bound targets (apart from those already disclosed in other sections) relating to material sustainability aspects in this report. Further targets will be defined in the next sustainability report and the progress will be assessed.

A data platform (software) was introduced during the year under review. This provides a central repository for all sustainability data and functions as a Single Source of Truth (SSOT).

The objectives of the introduction are as follows

- Improvement of data completeness
- Improvement of data quality
- Identification of points for improvement in general
- Increase in frequency of surveys
- Simplified and transparent tracking

Detailed information for inclusion of stakeholder groups was reported in the section "DR SBM-2: Interests and views of stakeholders".

A material component for tracking and implementation of targets is the ISO certification of our locations in the areas

- Quality (ISO 9001)
- Environment (ISO 14001)
- Energy (ISO 50001)
- Occupational safety (ISO 45001)

The following table provides an overview of the certified locations.

| Certified production locations | | | | | | | |
|--------------------------------|----------------------|-----------------------|----------------------------|-----------------------|---------------------------------------|---|---------------|
| Country | Site | Quality (ISO 9001) | Environment (ISO 14001) | Energy (ISO 50001) | Occupational Safety (ISO 45001) | Other certification | |
| Germany | Buttenwiesen | • | • | • | •* | FSC, PEFC | |
| | Bönen | • | • | • | | Greenguard, FSC, PFSC, Blauer Engel | |
| | Dunningen | • | • | • | | Greenguard, FSC, PFSC, Blauer Engel | |
| | Gladbeck | • | | • | | Greenguard | |
| | Grammetal | • | • | • | | Greenguard, FSC, PFSC, Blauer Engel | |
| | Halle (Saale) | | | | | | |
| | Heroldstatt | • | | • | | FSC, PEFC | |
| | Hüllhorst | • | • | • | | FSC, PEFC | |
| | Laichingen | • | • | • | | FSC, PEFC | |
| | Sassenberg | • | • | • | •* | FSC, PEFC | |
| | Willich | | | | | | |
| | USA | Agawam | | | | | |
| | | Auburn | | | | | Vantage Vinyl |
| Greensboro | | | | | | | |
| Jeannette | | | | | | Vantage Vinyl | |
| Monroe | | | | | | Vantage Vinyl | |
| Myrtle Beach | | | | | | | |
| United Kingdom | Ashbourne | • | • | | | | |
| | Stourport-on-Severn | • | • | | | | |
| Canada | Brampton | | | | | | |
| Brazil | São José dos Pinhais | • | | | | | |
| Portugal | Mindelo | • | • | | | | |
| Sweden | Gislaved | • | • | | | | |
| Indonesia | Batam | | | | | Greenguard | |
| Thailand | Rayong | • | • | | | | |
| Australia | Sydney | | | | | Greenguard | |

*Principle of the procedure. Includes requirements from DIN ISO 45001

The first KPI's have been introduced and are being maintained. The SURTECO Group will systematically expand its KPI's and improve data quality through the use of the software referred to above for purposes of recording sustainability data.

Environment information

DISCLOSURE IN ACCORDANCE WITH ARTICLE 8 (2) OF DIRECTIVE (EU) 2020/852

As part of the European Union action plan “Financing Sustainable Growth”, the Taxonomy Regulation came into force in 2020. It forms the foundation for the assessment criteria defining business activities as environmentally sustainable and lays down the regulations for reporting by the companies subject to reporting requirements. SURTECO has been subject to the reporting requirements under the Taxonomy Directive since 2021.

The SURTECO Group primarily operates in the field of surface technology for wood-based and furniture industries, and in interior design. The products manufactured by the Group and the product ranges for resale which generate the sales of the Group are not reflected in the technical assessment criteria for sustainable economic activities. Insofar, the share of taxonomy-eligible sales in the Group amounted to 0 % of total sales of € 000s 856,588 in the business year 2024. Sales with non-taxonomy-eligible activities are 100 %. Sales are calculated during the course of drawing up the consolidated financial statements in conformity with IFRS.

Additions to property, plant and equipment, and intangible assets form the basis for investments (CapEx) during the business year under review. An analysis was carried out to assess the taxonomy eligibility and compliance for the additions to property, plant and equipment, and intangible assets. A comparison was also performed with Annex I (Major contribution to climate protection) and Annex II (Major contribution to adaptation to climate change) of the Delegated Regulation of the (EU) 2021 / 2139 and a comparison with Annex 1-4 of the Delegated Regulation of the (EU) 2023 / 2486 for contributions to the protection of water and marine resources, for transition to a circular economy, for avoidance and reduction of environmental pollution, and for protection and reinstatement of biodiversity and ecosystems. The investments of taxonomy-eligible and taxonomy-compliant business activities were determined directly in financial accounting and through survey questionnaires. SURTECO does not track multi-year CapEx plans relating to taxonomy-eligible economic activities. In that respect, the addition of property, plant and equipment, intangible assets and rights of use are determined in the relevant business year. The share of taxonomy-eligible investments in the business year 2024 essentially relates to investments in the (CCM 6.5) transport with motorcycles, passenger cars and light commercial vehicles, in the (CCM 7.4) installation of charging stations for electric vehicles in buildings (and on car parks connected to buildings) and in the (CCM 7.6) installation of technologies for renewable energy. All these identified economic activities serve the environmental goal “Material contribution to climate protection”. The benchmark value for the entire investments can be calculated from the consolidated financial statements by the addition of property, plant and equipment (€ 000s 24,396), intangible assets (€ 000s 769) and rights of use (€ 000s 9,909), and therefore amounted to a total of € 000s 35,074 in business year 2024.

The analysis of taxonomy-eligibility of operating expenses (OpEx) is also carried out on the basis of the documents referred to above. The taxonomy-eligible and taxonomy-compliant operating expenses are similarly determined through financial accounting and questionnaires sent to all locations. The taxonomy-eligible operating expenses in the SURTECO Group primarily result from the non-capitalized costs for taxonomy-eligible business activities such as maintenance and repair of the vehicle fleet (CCM 6.5 – Transport by motorbikes,

passenger cars and light commercial vehicles) or Installation, maintenance and repair of charging stations for electric vehicles (CCM 7.4). Total operating expenses are made up of the non-capitalized costs for research and development, maintenance and repair costs, short-term leasing and vehicle costs, and they amounted to € 000s 29,075 in the business year 2024.

In the previous year, the taxonomy-eligible business activity of acquisition and ownership of buildings was still recognised, of which the CapEx share consisted of rights of use. After a more in-depth analysis, SURTECO came to the conclusion that this is not a taxonomy-eligible economic activity within the meaning of the Taxonomy Directive. The information has therefore been removed from this report.

As part of the review of taxonomy compliance, an assessment is made as to whether the taxonomy-eligible business activities make a significant contribution to an environmental goal defined by the Taxonomy Regulation and whether no other environmental goal is significantly impaired as a consequence.

The technical assessment criteria determining whether a business activity makes a significant contribution to an environmental goal and whether significant impairment of one of the other environmental goals is avoided (Do No Significant Harm, DNSH) were established for all taxonomy-eligible activities on the basis of the technical characteristics of individual assets or on the basis of national laws, verified and documented with the assistance of individual verifications.

The proportion of taxonomy-compliant activities results from investments in and maintenance of photovoltaic systems (CCM 7.6 Installation, maintenance and repair of renewable energy technologies), charging stations for electric vehicles (CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and on parking spaces attached to buildings)) and leasing of passenger vehicles (CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles). In the case of passenger vehicles, taxonomy compliance could often not be achieved simply because it was not possible to influence the standard equipment (tires) at the time.

A detailed climate risk analysis was carried out for the business activities of transport involving motorcycles, passenger vehicles and light commercial vehicles, installation of technologies for renewable energy and installation of charging stations for electric vehicles. This involved identifying potentially occurring climate risks for each investment and location, classifying them into risk categories and analysing them accordingly. In the case of activities with an expected lifetime of more than ten years, long-term climate projections were taken into account on the basis of the highest resolution projection available. No threats to economic activity from climate risks were identified. Acute climate risks such as hail damage are covered by insurance policies. Furthermore, compliance with minimum social standards according to the OECD – Guidelines for Multinational Enterprises, UN – Guiding Principles on Business and Human Rights, ILO Core Labour Standards and the International Human Rights Charter at the level of activities eligible for taxonomy was reviewed and documented with the assistance of various documents, guidelines, and voluntary commitments. The due diligence process for social minimum standards is based on the various regulations and guidelines (internal and external for example for human rights, anti-corruption and fair competition), training sessions for employees in the context of compliance training and control through an internal controlling system.

Double counting is avoided by clearly assigning the taxonomy-eligible or taxonomy-compliant investments and operating expenses to one business activity respectively in accordance with EU taxonomy.

The following KPIs result for the business year:

Turnover-KPI

| Business year 2024 | 2024 | | | Criteria for a significant contribution | | | | | | DNSH criteria ('No significant impairment') | | | | | | Proportion of Taxonomy aligned (A.1.) or eligible (A.2) Turnover, Year 2023 | Category enabling activity | Category transitional activity | |
|--|-------|----------|-----------------------------------|---|-------------------------|------------|------------|------------------|--------------|---|-------------------------|-------|-----------|------------------|--------------|---|----------------------------|--------------------------------|--------------------|
| | Codes | Turnover | Proportion of Turnover, Year 2024 | Climate Change Mitigation | Climate Change Adaption | Water | Pollution | Circular Economy | Biodiversity | Climate Change Mitigation | Climate Change Adaption | Water | Pollution | Circular Economy | Biodiversity | | | | Minimum Safeguards |
| Economic activities | | € 000s | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| - | - | 0 | 0% | | | | | | | | | | | | | | 0% | - | - |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0 | 0% | | | | | | | | | | | | | | 0% | | |
| Of which Enabling | | 0 | 0% | | | | | | | | | | | | | | 0% | E | |
| Of which Transitional | | 0 | 0% | | | | | | | | | | | | | | 0% | | T |
| A.2 Taxonomy-Eligible but not environmentally sustainable activities (non Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| - | - | 0 | 0% | | | | | | | | | | | | | | 0% | | |
| Turnover of taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2) | | 0 | 0% | | | | | | | | | | | | | | 0% | | |
| A. Turnover of Taxonomy eligible activities (A.1+A.2) | | 0 | 0% | | | | | | | | | | | | | | 0% | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities | | 856,588 | 100% | | | | | | | | | | | | | | | | |
| Total | | 856,588 | 100% | | | | | | | | | | | | | | | | |

CapEx-KPI

| Business year 2024 | 2024 | | | Criteria for a significant contribution | | | | | | DNSH criteria ('No significant impairment') | | | | | | Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx: Year 2023 | Category enabling activity | Category transitional activity | |
|--|---------|---------------|--------------------------------|---|-------------------------|------------|------------|------------------|--------------|---|-------------------------|----------|-----------|------------------|--------------|---|----------------------------|--------------------------------|--------------------|
| | Codes | CapEx | Proportion of CapEx: Year 2024 | Climate Change Mitigation | Climate Change Adaption | Water | Pollution | Circular Economy | Biodiversity | Climate Change Mitigation | Climate Change Adaption | Water | Pollution | Circular Economy | Biodiversity | | | | Minimum Safeguards |
| Economic activities | | € 000s | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| Installation, maintenance and repair of charging stations for electric vehicles | CCM 7.4 | 26 | 0.1% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 0.0% | E | - |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 | 449 | 1.3% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 0.1% | E | - |
| Transport by motorbikes, passenger cars and light commercial vehicles | CCM 6.5 | 83 | 0.2% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 0.0% | - | T |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 558 | 1.6% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.2% | | |
| Of which Enabling | | 475 | 1.4% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.2% | E | |
| Of which Transitional | | 83 | 0.2% | 100% | | | | | | Y | Y | Y | Y | Y | Y | Y | 0.0% | | T |
| A.2 Taxonomy-Eligible but not environmentally sustainable activities (non Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 95 | 0.3% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.0% | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | CCM 6.5 | 1,569 | 4.5% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.4% | | |
| CapEx of taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2) | | 1,664 | 4.7% | 100% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0.4% | | |
| A. CapEx of Taxonomy eligible activities (A.1+A.2) | | 2,222 | 6.3% | 100% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0.6% | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| CapEx of Taxonomy-non-eligible activities | | 32,852 | 93.7% | | | | | | | | | | | | | | | | |
| Total | | 35,074 | 100% | | | | | | | | | | | | | | | | |

OpEx-KPI

| Business year 2024 | 2024 | | | Criteria for a significant contribution | | | | | | DNSH criteria ('No significant impairment') | | | | | | Proportion of Taxonomy aligned (A.1.) or eligible (A.2) OpEx, Year 2023 | Category enabling activity | Category transitional activity | |
|---|---------|---------------|-------------------------------|---|-------------------------|------------|------------|------------------|--------------|---|-------------------------|----------|-----------|------------------|--------------|---|----------------------------|--------------------------------|--------------------|
| | Codes | OpEx | Proportion of OpEx, Year 2024 | Climate Change Mitigation | Climate Change Adaption | Water | Pollution | Circular Economy | Biodiversity | Climate Change Mitigation | Climate Change Adaption | Water | Pollution | Circular Economy | Biodiversity | | | | Minimum Safeguards |
| Economic activities | | € 000s | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| Installation, maintenance and repair of charging stations for electric vehicles | CCM 7.4 | 14 | 0.1% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 0.0% | E | - |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 14 | 0.1% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.0% | | |
| Of which Enabling | | 14 | 0.1% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0% | E | |
| Of which Transitional | | 0 | 0% | 0% | | | | | | | | | | | | | 0% | | T |
| A.2 Taxonomy-Eligible but not environmentally sustainable activities (non Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | CCM 6.5 | 1,733 | 6.0% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 6.3% | | |
| OpEx of taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2) | | 1,733 | 6.0% | 100% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 6.3% | | |
| A. OpEx of Taxonomy eligible activities (A.1+A.2) | | 1,747 | 6.1% | 100% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 6.3% | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| OpEx of Taxonomy-non-eligible activities | | 27,328 | 94% | | | | | | | | | | | | | | | | |
| Total | | 29,075 | 100% | | | | | | | | | | | | | | | | |

ESRS E1 CLIMATE CHANGE

Governance

DR related to ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes

The mitigation of climate change constitutes a challenge for all companies. The goal of reducing CO₂ emissions is integrated in the incentive systems of the Management Board of the SURTECO Group. Additional information on the SURTECO Group Incentive Schemes and their payment is included under DR GOV-3, which can be found in this statement in the section Governance of ESRS 2 General Disclosures Standard.

Strategy

DR E1-1: Transition plan for climate change mitigation

The SURTECO Group has set itself the goal of keeping our planet “worth living on”. To this end, we are protecting our environment, using natural resources sparingly and avoiding or reducing the burden on people and nature. We have raised our goal of significantly reducing CO₂ from 30 % to 50 % by 2030 [base year 2019: 95,915 metric tonnes of CO₂ emissions]. Starting from the business year 2021, we have been sourcing green electricity at all locations in Germany and zero-emission electricity at some locations abroad. Our goal is to achieve the objective of becoming a climate-neutral company as early as the year 2045.

The short-term steps involve the conversion of all the production locations to the sourcing of electricity from renewable energy and the use of climate-friendly coolants. A group-wide, concerted transition plan is being drawn up and this plan is expected to be available by the business year 2027. The review of the transition plan is planned to be carried out by SBTi.

DR related to ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The resilience analysis of the SURTECO Group carried out during the course of the business year assesses the adaptability of the business model and the strategy to meet the challenges of climate change with a timeframe of 5-10 years. In the context of the resilience analysis, the upstream value chain (upstream), including the procurement of raw materials and supplier dependencies, and the Group’s own business activities were assessed. The analysis of the downstream value chain (downstream) in the scope of the double materiality analysis revealed impacts and opportunities which, however, are classified as insignificant. Future analyses could take greater account of this area provided that relevant information is available.

The resilience analysis is a component of strategic planning and sustainability strategy, and it is embedded in the Strategy Review Process. Climate scenarios drawn up by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) form the basis for analysis, with particular focus on a 1.5 degree warming scenario. These agencies use top-down approaches, which assess the global impacts of climate risks on the market for surface materials, and bottom-up approaches, which investigate the specific risks and opportunities along the value chain. Customer and market data are also analysed in order to take account of the needs of customers and regulatory requirements in relevant markets. Internal workshops with the executive management, and experts on sustainability, procurement and production supplement the analysis.

The results of the scenario analyses demonstrate that the SURTECO GROUP has opportunities in the 1.5 degree scenario through the early integration of sustainable materials and climate-friendly production methods. Products with a reduced carbon footprint can be positioned within the marketplace as a unique selling proposition.

In the course of the analysis, physical risks were identified such as

- Price increases for raw materials and energy
- Shortage of raw materials and energy
- Interruptions to the supply chain
- Climate risks as a result of extreme weather events (storms, flooding, heat waves and cold snaps).

The following risk was identified as a transition risk:

- Costs for the transition to climate-friendly technologies.

Fundamentally, price increases for raw materials and energy are a material risk because uncertainties related to climate change in their production and logistics can make procurement more expensive. At the same time, the shortage of raw materials can lead to restrictions in material availability and price hikes.

In addition, climate risks pose a direct threat for our production facilities, warehouses and transport pathways. Damage to infrastructure can trigger repair and insurance costs and/or make investments in resilient structures necessary. Furthermore, extreme weather conditions can exert an adverse effect on the working conditions for our employees and increase the chance of health risks.

Another risk is posed by the potential costs for the transition to climate-friendly technology. The conversion to more sustainable processes, materials and production methods requires investments. Furthermore, stricter regulations such as increasing CO₂ pricing or stricter environmental regulations, can entail additional financial burdens.

There is an opportunity in the *expansion of the obligations and emission reporting* as a result of new laws and directives. Potentially, this can lead to sharpening the sustainability strategy and a proactive response to future regulatory requirements, which can be seen as a strategic competitive advantage. The additional reporting obligations can promote the transparency and credibility of the SURTECO Group by demonstrating to investors, customers and other stakeholders that sustainability is firmly integrated into the corporate strategy.

Responses to the challenges of climate change can be classified in three time horizons:

Short-term adjustments (0–1 years)

- Production optimization and energy efficiency
- Use of materials and raw-material security through the use of recyclates and bio-based materials
- Financial stability as a result of continuous evaluation of EU Taxonomy with respect to financing opportunities

Medium-term adjustments (1–5 years)

- Portfolio adjustment by means of development of new products with improved environmental footprint
- Supply-chain resilience by means of diversification of the supplier structure
- Training of employees

Long-term adjustment (> 5 years)

- Technological modernization by means of conversion to more environmentally friendly production procedures
- Repurposing and modernization: Gradual conversion or shutdown of specific production lines may be possible if this becomes necessary due to regulatory or climate developments.
- Decarbonization: Long-term investments in alternative materials and procedures for further reduction of the carbon footprint.

The SURTECO Group therefore regards its business model as based on a sound foundation, since excessive dependence is avoided especially as a result of internationally positioned production sites, the avoidance of single sourcing and long supply routes, direct access to the capital markets and a broadly based product portfolio.

Impact, risk and opportunity management

DR related to ESRS 2 IRO-1: Description of the process to identify and assess material climate-related impacts, risks and opportunities

The SURTECO Group identified its material IRO by applying the methodology for materiality analysis described in DR IRO-1, which can be found in the section Impacts, risk and opportunity management of the ESRS 2 General Disclosures standard contained in this statement.

As part of the implementation of ESRS 2 IRO-1, a detailed assessment of the locations of the SURTECO Group was conducted in relation to extreme climate events. The focus was exclusively on river flooding and coastal flooding, while other climate extremes were not taken into account during the reporting year. Furthermore, the supply chain was not considered in this analysis. This assessment was based on the AQUEDUCT Water Risk Atlas published by the World Resources Institute (WRI). This provides an evidence-based methodology for recording water-related risks. RCP8.5 was used as a climate-scenario model. The assessment will gradually be expanded to the supply chain and to other climate hazards by 2030.

CO₂ pricing is not included in the financial statements and no depreciation or impairments for fixed assets or buildings were undertaken. However, financial planning provides for investments in low-emission technologies or energy supply. (AR 15)

DR E1-2: Policies related to climate change mitigation and adaptation

The SURTECO Group is pursuing a strategic direction in order to manage climate-related impacts, risks and opportunities. The concepts are based on several **strategic pillars**, which are derived from the sustainability goals of the United Nations (SDGs). At the same time, they support the goals of the Paris Agreement and Germany's climate-neutrality strategy up to 2045.

Climate protection

- Innovations for improving the capability for product circularity (SDG 9).
- Reduction of the specific energy use in production (SDG 12, 13).
- Use of renewable or recycled raw materials to reduce the carbon footprint and to promote the circular economy (SDG 12).
- Reduction of emissions beyond CO₂, particularly reduction of emissions of volatile organic compounds (VOC) (SDG 13).

Adaptation to climate change

- Assessment of the company locations in relation to flooding caused by rivers and coastal flooding.

Energy efficiency

- Reduction of the use of materials in the manufacture of products in order to save resources and energy (SDG 12).
- Certification of our energy management systems in accordance with ISO 50001.
- Measures for continuous optimization of energy-intensive processes.

Use of renewable energy

- Gradual increase in the use of renewable energy.
- Investigation into materials along the upstream and downstream value chain with lower Product Carbon Footprint (PCF).

Other

- Avoidance of transport pathways for reduction of indirect emissions (SDG 9).
- Avoidance of waste (SDG 12).
- Sustainability topics, including climate protection, are managed at Group level by a dedicated department.

DR E1-3: Actions and resources in relation to climate change policies

| Measures in the reporting year | Own business activities (OBA)/ Value chain (VC) |
|--|---|
| Installation of a solar system at the Agawam site (Pennsylvania, USA) | OBA |
| Increasing the recycling rate for plastic products | OBA |
| Establishment of a plastic edgeband product range with up to 100% secondary material | OBA and VC |
| Reduction of specific energy consumption | OBA |
| Reduction of GHG emissions compared to the previous year | OBA |
| Screening of PCF-reduced materials | VC |
| Reduction of hazardous waste | OBA |
| Conversion of the vehicle fleet to electric vehicles | OBA |
| Installation of charging infrastructure for electric vehicles | OBA |

| Planned measures for the 2025 reference year | Own business activities (OBA)/ Value chain (VC) | Time horizon |
|---|---|----------------------------|
| Commissioning of the solar plant at the Agawam site (Pennsylvania, USA) | OBA | In the 2025 reporting year |
| Increase the recycling rate for plastic products. | OBA | In the 2025 reporting year |
| Reduction of specific energy consumption | OBA | 5-10 years |
| Reduction in GHG emissions | OBA | In the 2025 reporting year |
| Reduction of hazardous waste | OBA | In the 2025 reporting year |

No remedial measures were carried out during the year under review. The listed measures are managed and implemented by the Sustainability Department together with the cooperation of the BU Management Teams and with the involvement of the environmental and sustainability officers at the locations. The implementation of measures is linked with the budget process and the available financial and personnel resources. Decisions on projects with necessity for substantial CAPEX or OPEX are based on their effectiveness and considered on a case-by-case basis. The SURTECO Group has unrestricted access to the capital market and to financial resources. A fixed budget for climate-neutrality measures is currently not envisaged.

An initial action plan for reduction of Scope 3 emissions is being prepared and is projected to be available by the reporting year 2026.

Metrics and targets

DR E1-4: Targets related to climate change mitigation and adaptation

The following disclosures must be provided in relation to the SURTECO Group’s GHG targets:

| Category | Details |
|--|--|
| Base year | 2019 |
| Gross emissions in the base year (Scope 1 & 2) | 95,915 tCO ₂ e |
| GHG reduction target by 2030 | -50 % related to 2019 |
| Reduction achieved to date (by 2024) | -40 % related to 2019 |
| Annual reduction by 2030 | 5 % of the previous year's figure in each case |
| Scope 1 & 2 emissions | 60 % / 40 % |
| “Net Zero” (Scope 1, 2 & 3) | 2045 |

GHG emissions from Scope 1 & 2 were recorded for the reporting year. An initial list of Scope 3 emissions is planned for the business year 2025.

All the locations belonging to the Group and relevant sources of emission are recorded for the identification of all direct and indirect GHG emissions in Scope 1 & 2. The base value for acquisitions and divestments is adjusted for the reference year. If there are any changes to the base value, the reduction target for 2030 remains unchanged.

The main decarbonisation lever for achieving the 2030 target is increasing the proportion of electricity purchased from renewable sources..

The SURTECO Group will set out it’s detailed GHG emission reduction targets together with its climate-protection measures in a graphical pathway representation after they have been submitted to the Science Based Targets Initiative (SBTi) and verified. The submission to the SBTi is planned by 2026. Comparison with a climate scenario is also planned in this connection.

DR E1-5: Energy consumption and mix

The reporting period for energy consumptions and GHG emissions corresponds to the reporting year. During this period, there were no material changes in the Group structure.

The figures presented were consolidated on the basis of information obtained from the individual subsidiary companies, with the main source of information being invoices from the energy utility companies.

During the reporting year, 344,129 MWh of energy were consumed by the SURTECO Group, which corresponds to an increase of 9 % compared with 315,781 MWh in 2023. This increase was primarily due to the acquired Omnova divisions, which were consolidated for the whole year for the first time (previous year for 10 months).

| Energy consumption and mix | | |
|---|--|----------------|
| MWh | 2023 | 2024 |
| Fuel consumption from coal and coal products | 0 | 0 |
| Fuel consumption from crude oil and petroleum products | 16,066 | 13,821 |
| Fuel consumption from natural gas | 124,133 | 146,738 |
| Fuel consumption from other fossil sources | 0 | 0 |
| Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources | 50,937 | 48,434 |
| Total fossil energy consumption | 191,136 | 208,993 |
| | Share of fossil sources in total energy consumption (%) | 61 |
| Consumption from nuclear sources | 10,137 | 13,197 |
| | Share of consumption from nuclear sources in total energy consumption (%) | 3 |
| Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) | 38,088 | 32,256 |
| Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources | 75,805 | 89,086 |
| The consumption of self-generated non-fuel renewable energy | 615 | 597 |
| Total renewable energy consumption | 114,508 | 121,939 |
| | Share of renewable sources in total energy consumption (%) | 36 |
| Total energy consumption | 315,781 | 344,129 |

The energy consumption arises partly from the use of primary energy combustion fuels, such as natural gas or heating oil, and through the procurement of external energy, mainly in the form of electricity. In order to reduce possible environmental impacts, the SURTECO Group is pursuing an energy transition to renewable energy sources.

The energy mix in 2024 has a proportion of renewable energy of 35 % and there are therefore no significant deviations from the previous year.

Since the business year 2021, the German locations of the Group, together with some foreign locations, source their electricity exclusively from renewable energy. The proportion of electricity generated from renewable energy sources amounted to 61 % in 2024.

A smaller proportion of the energy originates from own generation by means of photovoltaic systems. This energy is used almost entirely at the Group's own facilities. In the reporting year, 597 MWh of electricity was generated by the SURTECO Group, after 616 MWh in the year 2023. In addition to the existing locations in Portugal, Australia and Italy, which contribute to this generation, a new photovoltaic system in the USA is projected to come onstream in the second quarter of 2025.

The SURTECO Group is defined (Directive (EU) 2022/1288) as partly active in sectors (Sector C: Manufacturing Industry) that are classified as sectors with high climate impact. The SURTECO Group uses energy intensity as a Key Performance Indicator (KPI) in order to monitor energy efficiency at its operating facilities. The group-wide energy intensity for the business year 2024 amounts to sales of 402 MWh / € million with a total energy consumption of 344,129 MWh. The increase in sales of 3 % compared to the previous year was offset by an increase in energy consumption of 9 %. The deviation in energy consumption is primarily due to the

takeover of the Omnova divisions, which were fully consolidated this year for the first time (in comparison to 10 months in the previous year).

| Energy intensity per net revenue MWh / € million | 2023 | 2024 | Variation |
|---|------|------|-----------|
| Total energy per net revenue (Net revenue see ESRS 2; DR SBM1) | 378 | 402 | 6.3 % |

DR E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions

In spite of the efforts directed towards environmental protection, emissions into the atmosphere cannot be completely avoided. They also constitute side effects of production processes such as waste or consumption of resources and raw materials. Emissions are subject to limit values that are defined by operating licences for our plants issued by government agencies. The SURTECO Group monitors compliance with these limit values at individual locations through having measurements taken by independent third parties.

The direct emissions of CO₂ equivalent (Scope 1) arise as a result of the combustion of fossil energy sources in the company's own power plants or by emissions caused within the organization, for example from heating energy or thermal exhaust-gas treatment. Emission values were calculated on the basis of the energy sources used, such as gas or heating oil, and the global warming potential (GWP) of the Federal Office for Economic Affairs and Export Control (BAFA).

The indirect Scope 2 emissions in the form of CO₂ equivalents are caused mainly by external energy purchases in the form of electricity. Market-based and location-based GWPs were taken into account for the calculation. The market-based figures were taken directly from the individual energy suppliers of the SURTECO Group. Whenever information was not available, the values used correspond to the location-based values. The values were then determined on the basis of location-based GWPs, which were obtained from the International Energy Agency (IEA). Of the purchased electricity, 56 % was bundled with Guarantees of Origin and Renewable Energy Certificates. The remaining 44 % came from the conventional electricity mix, of which 15 % was from renewable sources, 21 % from nuclear energy and 63 % from non-renewable sources.

As far as total GHG emissions are concerned, it can be assumed that the emissions in the upstream and downstream value chain, i.e. Scope 3 emissions, outweigh the total emissions from Scope 1 and 2. The Group is planning to submit figures on this matter in the coming reporting year.

The total volume of CO₂ equivalents emitted by the SURTECO Group, which comprise the direct and indirect emissions from its business activities, amounted to 57,202 metric tonnes of CO₂e in the reporting period 2024. This reflects a slight increase compared with 55,041 metric tonnes of CO₂e in 2023. However, this deviation results primarily from the takeover of the Omnova divisions, which were consolidated for only 10 months in the previous year.

Looking at 2023 as a whole, there was a significant decrease in total CO₂e emissions by 7 %, from 61,222 tonnes of CO₂e in 2023 to 57,202 tonnes of CO₂e in 2024.

This decrease is primarily due to the ongoing conversion of locations to green electricity, particularly purchased green electricity (Scope 2), which led to a decrease by 13 % compared with the entire previous year.

Furthermore, minor deviations are due to improvements in data quality, as work is continuously being done to improve the accuracy of measurement.

| † CO ₂ e | Base year | Retrospective | | | | | Milestones and target years | | | |
|---|-----------|--|--------------------------------------|--------|---|---|---------------------------------|------------------------------|--|-----------------------------------|
| | | 2023 10M con- solidation Omnova | 2023 Omnova full year basis | 2024 | Variation in % 10M con- solidation Omnova | Variation in % Omnova full year basis | 2025 | 2030 | 2045 | Annual % target / Base year |
| Scope 1 GHG emissions | | | | | | | | | | |
| Gross Scope 1 GHG emissions | 39,597 | 31,972 | 35,170 | 34,412 | 8 % | -2 % | 5 % (Scope 1 & 2) Previous year | 50 % (Scope 1 & 2) Base year | Net Zero (Scope 1, 2 & 3) under assessment | -13 % |
| Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%) | 0 | 0 | 0 | 0 | - | - | | | | - |
| Scope 2 GHG emissions | | | | | | | | | | |
| Gross location-based Scope 2 GHG emissions | 52,870 | 43,246 | 46,360 | 46,581 | 8 % | 0.5 % | | | | -12 % |
| Gross market -based Scope 2 GHG emissions | 56,318 | 23,070 | 26,053 | 22,790 | -1 % | -13 % | | | | -60 % |
| Significant scope 3 GHG emissions | | | | | | | | | | |
| Total Gross indirect (Scope 3) GHG emissions | | | | | Under assessment | | | | | - |
| Total GHG emissions | | | | | | | | | | |
| Total GHG emissions (location-based) | 92,467 | 75,218 | 81,530 | 80,993 | 8 % | -0.7 % | | | | -12 % |
| Total GHG emissions (market-based) | 95,915 | 55,041 | 61,222 | 57,202 | 4 % | -7 % | | | | -40 % |

The use of natural gas by the SURTECO Group amounted to 52 % of the total greenhouse gas emissions in 2024. Electricity with a proportion of 37 % comes next. The remaining 11 % essentially result from the use of combustion fuels, district heating and the combustion of wood and waste, with a small proportion resulting from the release of harmful substances and gases.

The SURTECO Group releases biogenic emissions from the combustion of non-recyclable wood and paper waste, with a proportion of 2 % of total emissions (market-based GHG emissions in Scope 1 and 2) in 2024.

The group-wide emission intensity for the business year 2024 amounts to 67 mt CO₂e / € million sales for a total volume of CO₂e emissions amounting to 57,202 metric tonnes.

| Energy intensity per net revenue | | | |
|---|-------------|-------------|------------------|
| † CO₂e / € million | 2023 | 2024 | Variation |
| Total GHG emissions (location-based) per net revenue (Net revenue see ESRS 2; DR SBM1) | 90 | 95 | 6 % |
| Total GHG emissions (market-based) per net revenue (Net revenue see ESRS 2; DR SBM1) | 66 | 67 | 2 % |

Calculation of Scope 3 GHG emissions

No data for Scope 3 emissions are available for the reporting year. Owing to the diverse business areas and the variety of raw materials used, an assessment of the Scope 3 emissions has proven to be unreliable or ineffective.

Quantitative disclosures for Scope 3 emissions are planned for the coming reporting year. Currently, appropriate data-survey and calculation methods are being prepared.

DR E1-7: GHG removals and GHG mitigation projects financed through carbon credits

The Group does not support any projects in own business or in the upstream or downstream value chain for the breakdown or storage of greenhouse gases.

DR E1-8: Internal carbon pricing

There is no internal CO₂ pricing system within the company.

DR E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The SURTECO Group reviews the anticipated financial impacts arising from climate-related risks and opportunities. Currently, no strategies, measures or targets have been defined and there will therefore be no disclosure in the first year of the Sustainability Statement. The SURTECO Group is working towards defining the targets by 2029.

ESRS E2 POLLUTION

Impact, risk and opportunity management

DR related to ESRS 2 IRO-1: Description of the process to identify and assess material pollution-related impacts, risks and opportunities

Using the methodology for the materiality analysis described in DR IRO-1, which can be found in the section *Impact, risk and opportunity management of the ESRS 2 General Disclosures* standard, the SURTECO Group has identified its material impacts, opportunities and risks.

In addition to the process referred to, additional factors were taken into account for the assessment of the topics relating to the circular economy, for example:

- Screening of the most important pollutants for each manufacturing process and activities in the value chain,
- Potential receptors taking into account the type of pollutants, the handling conditions and the existing measures,
- Understanding of the composition of the raw materials used and their potential impacts on substances of concern and microplastics,
- Existing treatment systems and preventive measures,
- Individual results from monitoring of pollutants,
- Emission limit values.

Affected communities were not integrated in the reporting year.

Production locations where chemical raw materials are processed or stored have a higher risk in relation to environmental pollution than sites where exclusively sales or administrative activities take place. This difference was taken into account in the course of risk assessment, as production sites can cause potentially higher environmental impacts, for example through emissions, wastewater or handling hazardous substances. Risks arise here essentially during transport or delivery procedures by suppliers. Chemicals raw materials and subsidiary materials are stored in containers or on premises specially designed for this purpose. Finally, it is important to note that risk profiles can vary within the group of manufacturing locations depending on the production process and geographical location.

No incidents were registered during the reporting period that resulted in financial penalties or sanctions being levied by government authorities.

DR E2-1: Policies related to pollution

The SURTECO Group operates on the basis of the guiding principle of “avoidance before reduction before mitigation” and in the case of waste the principle “avoidance before reduction before recovery”.

All questions relating to CO₂ emissions were already addressed in the chapter Climate change E1 and will not be further discussed in the following sections. Where necessary, air control systems are installed.

Air pollution

Wherever possible, we use water as the solvent in our lacquers, paints or impregnations. For technological reasons, however, the use of organic solvents and the associated emissions cannot always be avoided. In these cases, the SURTECO Group complies with the statutory limit values, partly by the use of thermal after-burning of exhaust air.

SOC or SVHC

The SURTECO Group places a great importance on the responsible handling of chemicals and is actively working on avoiding substances that are classified as SOC (Substances of Concern) or SVHC (Substances of Very High Concern) in its formulations. Substances of this nature are only used if there are no alternatives in order to maintain the high requirements for product quality and functionality. Ensuring that these substances are only used in the quantities that are permitted under the statutory regulations.

Furthermore, we review the contents of our formulations regularly and carefully. The compositions are reviewed at fixed intervals and when relevant developments occur – for example changes in the statutory regulations or new scientific findings – and the formulations are modified as necessary. This approach underscores our commitment to the protection of people and the environment, along with our obligation to consistently comply with the statutory regulations.

Microplastics

Plastic granulate is used as raw material in the extrusion processes carried out by the SURTECO Group. All handling and further processing is carried out in closed systems in order to avoid pollution of the environment by microplastics. This prevents the release of microplastics. A high standard of cleanliness is absolutely essential here. The disclosures provided only relate to delivery and internal activities within the company.

DR E2-2: Actions and resources related to pollution

The measures implemented by the SURTECO Group follow the guidance in the EU Action Plan “Towards Zero Pollution for Air, Water and Soil” and the ISO guidelines for environmental management 14001.

Air pollution

The SURTECO Group complies with the statutory limit values, partly by using thermal exhaust air afterburning. This also applies to the limit values for exposure in the workplace. As appropriate, after-burning systems (RTO – Regenerative Thermal Oxidation) are installed. The SURTECO Group commissions external measurements in order to monitor the volume of emissions and has these carried out as part of environmental management.

SOC or SVHC

One of the subsidiary companies works with melamine impregnations. The free amounts of melamine in our products are below the prescribed limit values.

Furthermore, formaldehyde emissions arise in wastewater or in the air at some of our locations. Contaminated wastewater is collected and treated by specialized companies. If emissions are released into the air, biological or thermal after-treatment is carried out in order to avoid the release of formaldehyde into the atmosphere. Wherever substances of concern are used, the availability of less harmful substances is assessed on a regular basis.

Microplastics

Even though all processes related to the handling of plastic granulate have to be carried out in closed systems, accidental spillage cannot be avoided. In order to further reduce the entry of the plastic granulate into the environment, the SURTECO Group is targeting certification in accordance with the guidelines of the “Zero Pellet Loss Initiative” for all locations using plastic granulate within the next five years. This also includes training for employees and optimization of processes in order to avoid unintended spillage. The SURTECO Group is committed to minimizing potential risks by preventive measures.

Avoidance of incidents and emergency plans

The SURTECO Group has implemented a comprehensive risk management and emergency policy in order to systematically avoid potential environmental incidents and emergency situations, and to minimize impacts on people and the environment. These measures extend to our own activities.

1. Avoidance of incidents and emergency situations

The company implements the following measures for proactive prevention of environmental pollution and emergencies:

- Regular risk analyses:
 - Identification of potential environmental risks by systematic location assessments and audits (in accordance with the ISO standard).
 - Assessment of hazardous substances.
- Technical prevention measures:
 - Use of safety technology such as leakage and emission monitoring systems.
 - Automated shutdown systems.
 - Closed transfer and processing systems in order to avoid leakages.
- Organizational measures:
 - Regular training sessions for employees in safety-critical processes and emergency measures

2. Limiting the impacts of incidents and emergency situations

If an incident occurs in spite of the preventive measures, comprehensive emergency and containment measures are available:

- Immediate measures in the event of incidents:
 - Available emergency plans for various scenarios (e.g. chemical leakages, fires, major incidents).
 - Provision of emergency equipment (e.g. mobile absorbers, protective barriers, neutralization agents).
 - Rapid activation of internal emergency teams and crisis staffs.
- Environmental and health measures:
 - Close exchange with local authorities and environmental protection organizations.
 - Immediate analysis and monitoring of environmental impact following an incident.
 - Medical protective measures for affected employees.
- Learning processes and improvements:
 - Systematic follow-up after incidents to identify optimization potential.
 - Adjustment of safety and environmental policies on the basis of the findings gained.

This comprehensive approach enables the SURTECO Group to ensure that potential environmental pollution caused by incidents is largely avoided and the impacts are minimized.

Metrics and targets

DR E2-3: Targets related to pollution

Air pollution

The SURTECO Group currently has not yet formulated a target for the reduction of VOC emissions. Nevertheless, compliance with the relevant statutory framework conditions and the emission limits is guaranteed. The monitoring and compliance with these limit values is carried out by accounting the quantities of materials containing VOCs purchased and used. These calculations allow the emissions to be monitored and ensure that the statutory requirements can be complied with consistently.

SOC or SVHC

The SURTECO Group has not yet defined a target for reducing SOC or substances of high concern (SVHC). Nevertheless, compliance with the relevant statutory requirements is strictly monitored. This is carried out by accounting for the quantities of materials containing SVHCs and continuously checking the permissibility of these substances in accordance with the applicable regulations. Consequently, the SURTECO Group ensures that no inadmissible quantities of SVHCs are used in its products or production processes.

Microplastics

The SURTECO Group currently has not yet defined a target for the avoidance of microplastics but it is already implementing measures directed towards avoiding the release of microplastics. Wherever possible, operations are carried out in closed-loop systems in order to further reduce environmental pollution.

We have defined a target of certification in accordance with the guidelines of the “Zero Pellet Loss Initiative” within the next 5 years for locations which use plastic granulate.

DR E2-4: Pollution of air, water and soil

Emissions in air, water and soil

Despite the efforts centred on environmental protection, emissions cannot be completely avoided. Emissions are subject to limit values that are defined by operating licences for production plants and laid down by government agencies or defined in legal frameworks. The SURTECO Group monitors compliance with these limit values at the individual locations by independent measurements carried out by government agencies.

Preventive control systems have been installed at some locations in order to minimize the impacts exerted by the release of pollutants into the air, water and soil, for example regenerative thermal exhaust air cleaning systems to reduce air pollutants and chemical treatments to minimize the impact of pollution from water discharges.

On the basis of individual assessments at the specific locations, the limit values defined in Annex II of the Directive (EC) No. 166/2006 of the European Parliament and the Council (European Pollutant Release and Transfer Register – EPRTTR Regulation) were not exceeded for the pollutants listed there. In addition, no violations were identified for the Group.

SURTECO is committed to going beyond compliance with legal limits by minimizing the release of pollutants and continuously improving its environmental performance. A specific focus is on reducing solvent emissions and decreasing the impacts of formaldehyde.

The emissions from volatile organic compounds (VOC) amounted to 1,630 metric tonnes in 2024, compared with 1,219 metric tonnes in 2023. Not all locations were completely recorded so that an estimate was undertaken on the basis of the processes and historical data. The increase in emissions is mainly due to the acquired Omnova divisions, which were consolidated for the first time over an entire year (in the previous year they were consolidated for 10 month). but also due to improvement in the data quality.

| Pollution of air | | |
|----------------------------------|-------------|-------------|
| Tons | 2023 | 2024 |
| Volatile Organic Compounds (VOC) | 1,219 | 1,630 |

The information was recorded individually for each production location and consolidated for the purposes of reporting. The emissions were calculated by direct measurements taken from air samples or from location-specific data combined with material flow data (mass balance).

Formaldehyde emissions are associated with the business activities of the SURTECO Group by air and water discharges. End-of-pipe technologies are installed in addition to the measures that are carried out during the development and manufacturing phase in order to avoid or minimize emissions. The emissions released into the air are monitored as part of the solvent pollutants, while the emissions into the water are minimized or avoided by means of chemical treatments to reduce formaldehyde pollution or by transferring contaminated water to specialized waste disposal companies for further treatment. The emission data for formaldehyde are determined by direct measurements of air and water samples.

The release of emissions from cooling and heating systems, which mainly use refrigerant gases, can also exert impacts. Interventions are carried out by specialized third-party companies in order to prevent releases of this nature. These systems primarily use fluorinated greenhouse gases, which are addressed in ESRS E1 Climate change under DR E1-6. Other materials which can lead to the depletion of the ozone layer are used exclusively in closed systems. Wherever possible, the SURTECO Group uses refrigerant gases without any potential for ozone depletion.

Other pollutants such as carbon monoxide, nitrogen oxides and particles for the air, as well as organic total carbon, chloride and total nitrogen for water are closely monitored and controlled, with emissions consistently below the defined limit values.

The Group uses microplastics in their processes by sourcing them from plastic resins and additives and producing them through internal recycling of by-products. The development of measuring methods and the derivation of quantitative data is planned for a period of 3 years. Furthermore, no incidents were reported in connection with microplastics in 2024.

DR E2-5: Substances of concern and substances of very high concern

The SURTECO Group does not yet have any consolidated information about the potential use of the affected substances for the Group. However, all the companies within the Group comply with the statutory requirements like REACH and Proposition 65. The aim is to draw up a quantity and classification overview over a period of 3 years.

DR E2-6: Anticipated financial effects from material pollution-related impacts, risks and opportunities

As referred to in DR E1-9, the SURTECO Group has not disclosed the expected financial impacts of material risks from the environmental impacts or opportunities arising from the avoidance and reduction of environmental pollution in the first year of its Sustainability Statement. There is currently no disclosure of specific indicators and targets for DR E2-6. No measures or targets have been defined which would be necessary for collecting and providing appropriate data. The company envisages a time period of 3 years for the development of strategies and objectives.

ESRS E5 RESSOURCES USE AND CIRCULAR ECONOMY

Impact, risk and opportunity management

DR related to ESRS 2 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Using the methodology for the materiality analysis described in DR IRO-1, which can be found in the section *Impact, risk and opportunity management of the ESRS 2 General Disclosures* standard, the SURTECO Group has identified its material impacts, opportunities and risks.

In addition to the process referred to, additional factors were taken into account for the assessment of the topics relating to the circular economy, for example:

- Dependence on resource consumption in the manufacturing process,
- Attributes of materials and the proportion of primary, secondary and bio-based raw materials,
- Internal recycling practices for by-products,
- Properties of products taking into account the circular principles,
- Classification of the generated waste by its hazardous properties and the type of treatment,
- Waste management practices,
- Regulation and trends in the emerging economies.

The affected communities were not integrated in the reporting year.

DR E5-1: Policies related to resource use and circular economy &

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

Strategies and measures of the SURTECO Group to improve the use of resources and circular economy relate to the following areas:

| Key topic | Risks | Opportunities | Strategy & measures |
|--|--|--|--|
| Material efficiency and waste prevention | <ul style="list-style-type: none"> • Loss of resources due to production waste - Rising disposal costs | <ul style="list-style-type: none"> • Cost savings through more efficient use of materials • Reduction of environmental pollution | <ul style="list-style-type: none"> • Optimization of production processes • Use of modern technologies • Quality controls • Employee training to promote resource-conserving working methods • Use of modern technologies and equipment • Promotion of resource-saving processes through internal standards [e.g. operational excellence] |
| Circular economy and resource conservation | <ul style="list-style-type: none"> • High use of primary plastics • Regulatory requirements for plastics recycling | <ul style="list-style-type: none"> • Cost savings through recycling • Image and competitive advantages through sustainable materials | <ul style="list-style-type: none"> • Implementation of closed material loops for the recycling of production waste • Promoting the use of recyclates and bio-based plastics • Returning production waste to the manufacturing process • Products made from recycled plastics • Cooperation with suppliers and recycling companies • Involvement in industry associations |

| | | | |
|--|--|--|--|
| Climate change and emissions reduction | <ul style="list-style-type: none"> • Increasing regulatory requirements • Reputational risks | <ul style="list-style-type: none"> • Competitive advantages through emissions reduction • Cost savings through energy efficiency | <ul style="list-style-type: none"> • Optimization of production facilities to reduce energy consumption • Increased use of renewable energies to replace fossil fuels • Definition of reduction targets • Use of energy-efficient technology • Cooperation with external partners • Implementation of the ISO 50001 energy management system |
| Energy supply and decarbonization | <ul style="list-style-type: none"> • Volatility of energy prices • Dependence on fossil fuels | <ul style="list-style-type: none"> • Cost stability through renewable energies • Improved ESG rating | <ul style="list-style-type: none"> • Analysis and gradual replacement of fossil fuels • Conversion to electric drying systems • Electrification of the company fleet • Investments in emission-free technologies |
| Sustainable material procurement | <ul style="list-style-type: none"> • Limited availability of sustainable alternatives - Higher raw material costs | <ul style="list-style-type: none"> • Innovation potential through new material solutions • Differentiation in the market | <ul style="list-style-type: none"> • Collaboration with suppliers to develop and integrate recycled or bio-based materials • Testing alternative raw materials with a focus on reducing fossil-based ingredients • Promoting new material solutions with a reduced environmental footprint • Strengthening partnerships to develop innovative solutions for the circular economy |

Metrics and targets

DR E5-3: Targets related to resource use and circular economy

As a supplier of semi-finished products, the SURTECO Group operates almost exclusively in the B2B sector in the industries highlighted, i.e. with only a few exceptions, our semi-finished products only become end products for consumers after further processing. The following aspects are pursued in relation to the waste hierarchy, depending on the relevant semi-finished products:

- Increase in the material usage rate oriented towards the circular economy,
- Minimization of primary raw materials
- Sustainable procurement and usage of renewable resources.

The focus here is on the increase in use of secondary raw materials.

The SURTECO Group is currently developing concrete measurable targets in various environmental areas, which are to be established within the next three years. The focus is on the reduction of hazardous waste, the increase in energy efficiency and a higher recycling rate in plastic processing. The objectives of the reduction of CO₂ emissions (Scope 1 and 2) and for climate neutrality are described in section 1.

DR E5-4: Resource inflows

The following table provides information about the material inflows used during the reporting period. The overview is restricted to the main components which are used to manufacture our products.

- Paper for printing or impregnation
- Plastic raw materials
- Plastic foils
- Lacquers
- Printing inks (digital and analogue)
- Impregnations solutions
- Water
- Packaging

On the basis of the definition, paper and bio-based materials belong to the so-called biological materials while plastics and plastic foils are grouped with technical resources.

This corresponds to a total volume of 139,430 metric tonnes. The quantities of production auxiliary materials and packaging are not disclosed in the reporting year.

The proportions are made up as follows

- Primary materials 67 %
- Biological materials 32 %
- Secondary materials 1 %

The classification into biological and technical resources yields the following allocation:

- Biological resources 32 %
- Technical resources 48 %

| Resource inflows | |
|----------------------------|----------------|
| Tons | 2024 |
| Plastic raw materials | 60,169 |
| Plastic Films | 6,932 |
| Coatings | 7,154 |
| Printing Inks | 3,410 |
| Impregnation solutions | 15,130 |
| Primary materials | 92,795 |
| Plastic raw materials | 1,408 |
| Secondary materials | 1,408 |
| Plastic raw materials | 175 |
| Paper based materials | 45,052 |
| Bio-based materials | 45,227 |
| Total | 139,430 |

These data originate from a combination of direct measurements and estimates based on supplier data and internal production statistics. No data was recorded for packaging.

In the SURTECO Group's production processes involving plastics, production scrap or conveyor offcuts are collected, processed and wherever possible returned to the production cycle. In order to avoid double counting, resources arising from re-use and recycling are separately recorded in production reports or material-flow analyses. We carry out clearly defined reporting logistics. Reused products are not counted as recycled materials.

Water consumption

SURTECO draws approximately 35 % of its water from the public water pipeline grid and around 65 % from wells or rivers. The biggest proportion of the water is used for cooling or cleaning purposes and it is discharged back into the public drainage system or directly into rivers after it has been used, and following appropriate treatment and processing. Only a very small proportion of the volume of water withdrawn is associated with the manufacture of printing inks and lacquers. During the reporting year 2024, the volume of water used or consumed by the SURTECO Group amounted to 0.153 million cubic meters. The water consumption and its quantities are not of a magnitude that has a significant negative impact.

DR E5-5: Resource outflows**Products and materials**

The SURTECO Group manufactures products and materials from the raw materials referred to for the areas of furniture, flooring, transport and construction. These are almost exclusively semi-finished products, which are further refined to create the final product.

- Decorative printing and finish foils
- Release papers and foils
- Thermoplastic foils and edgebandings
- Laminates
- Technical extrusions and roller shutter systems
- Skirtings
- Coated fabrics

Waste is also generated.

Direct disclosure on the durability of our products is not possible because this depends primarily on the further refinement by our customers and the conditions under which the final products are used.

Our semi-finished products are fundamentally recyclable but the actual reusability also depends on the processing and the additives in the final product.

Repairability of our semi-finished products is not envisaged. The packaging materials used are in principle 100 % recyclable.

Waste

The avoidance of waste takes precedence over recycling and disposal of waste at the SURTECO Group in accordance with the waste avoidance hierarchy. Efforts to minimize the generation of waste are therefore already integrated in the early phases of product development and manufacture. Unavoidable production waste is forwarded to specialized disposal companies for professional disposal.

The waste generated at the SURTECO Group is primarily not hazardous. It resembles domestic waste and is made up of materials such as paper, wood, plastics and metal. Hazardous waste is also produced such as liquids and sludges contaminated by chemicals. Building rubble following modification works on buildings may be generated as well.

Part of the waste from production can be returned to the internal production process. This primarily relates to plastics, which are collected by type and then shredded (recyclates). The proportion of recyclates in the overall volume of waste plastics corresponds to the plastics recycling rate. In the business year, 2024, this was around 65 % (not all sites were recorded in full). The remaining materials that could not be reused internally were accordingly forwarded for external recovery.

The waste for disposal is sent to suitable waste-disposal companies depending on the type of waste to be treated. The process is documented in internal records and the quantities are tracked and documented separately by type of waste.

The information is collected individually, recorded separately for each location and then consolidated for purposes of reporting. The volumes of waste are determined through inventory readings, waste documents and transport manifests, and by information provided by the operators. The recorded information may rely on estimates in some cases.

The total volume of waste at the SURTECO Group amounted to 25,744 metric tonnes in 2024. This corresponds to a decline of 28 % compared to 2023. This fall is primarily due to the elimination of waste from construction activities at a subsidiary company in 2023 and to process improvements, which also contributed to a reduction in the volume of waste.

A reduction target of 10 % was established for hazardous waste in 2024 and a reduction of 17 % was achieved.

| Waste Tonnes | 2023 | 2024 |
|--|---------------|---------------|
| Non-hazardous waste | | |
| Preparation for reuse | 0 | 0 |
| Recycling | 10,934 | 10,710 |
| Other recovery operations | 2,256 | 1,516 |
| Hazardous waste | | |
| Preparation for reuse | 0 | 0 |
| Recycling | 1,093 | 104 |
| Other recovery operations | 2,460 | 4,379 |
| Total amount diverted from disposal | 16,743 | 16,709 |
| Non-hazardous waste | 0 | 0 |
| Incineration | 2,070 | 1,369 |
| Landfill | 11,021 | 4,865 |
| Other disposal operations | 886 | 43 |
| Hazardous waste | | |
| Incineration | 726 | 2,114 |
| Landfill | 257 | 302 |
| Other disposal operations | 4,187 | 342 |
| Total amount directed to disposal | 19,147 | 9,035 |
| Total amount of non-recycled waste | 23,863 | 14,930 |
| Percentage of non-recycled waste (in %) | 66 | 58 |
| Total amount of Non-hazardous waste | 27,167 | 18,503 |
| Total amount of hazardous waste | 8,723 | 7,241 |
| Total amount of radioactive waste | 0 | 0 |
| Total amount of waste generated | 35,890 | 25,744 |

Wherever possible, care is taken to ensure that packaging materials are repeatedly reused both between suppliers and the SURTECO Group and also between customers and the SURTECO Group. Apart from the standardized pallets typically used (Europallets), this also applies to special pallets and special means of transport (e.g. hanging transport of rolls). Wherever feasible, open transport in mesh crates is the method of choice.

DR E5-6: Anticipated financial effects from material resource use and circular economy-related risks and opportunities

As referred to in DR E1-9, the SURTECO Group is not disclosing the expected financial impacts of material risks and opportunities in connection with the use of resources and the impacts of the circular economy in the first year of its Sustainability Statement. Uniform and binding measures for increasing resource efficiency and circular economy still need to be defined and corresponding processes implemented, and then underpinned by KPIs. The timeframe for disposal is in the region of 3-5 years.

Social information

ESRS S1 OWN WORKFORCE

Strategy

DR related to ESRS 2 SBM-2: Interests and views of stakeholders

The employees of the SURTECO Group are the focal point of the strategic direction of the company based on the guiding principle of "A company I like to work for". A central role is played here by the initiative that is directed towards better understanding their interests and opinions. We refer to the information described under DR SBM-2, which offers more comprehensive information on the engagement practices and the interests and perspectives of all stakeholders. These are outlined in the section "Strategy" of the *ESRS 2 General Disclosures* in this statement.

DR related to ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Using the methodology for materiality analysis described in DR IRO-1, which can be found in the section *Impact, risk and opportunity management of ESRS 2 General Disclosures*, the SURTECO Group has identified its material IRO.

When analyzing the impacts on the Group's own workforce and the impacts that may arise in relation to the strategy and business model, the SURTECO Group also takes account of additional factors such as:

- Corporate culture, values and principles of the organization (Code of Conduct and human rights declaration)
- Results from the process of internal auditing
- Risk management and whistleblower systems
- Employment practices
- Indicators from human resources
- Regulations and internationally recognized human rights instruments
- Transition plans for the reduction of GHG emissions

The business model of the SURTECO Group is based on manufacturing processes. The high level of digitalization and automation entails opportunities and risks. On the one hand, the dependence on a workforce of qualified employees presents potential challenges in relation to adequate staff availability. On the other hand, the need for employees creates jobs and this exerts a positive impact on the surrounding communities.

The value chain and the business relationships of the company also exert various impacts. These can present risks and opportunities for the workforce of the SURTECO Group. The strategic alignment of the company, particularly in relation to planned changes, influences the workforce. Specific risks in relation to forced or child labour could not be identified on the basis of assessments related to geography or activities.

The employment practices of the SURTECO Group not only affect members of staff employed directly but also to external workers, such as independent traders or employees of partner companies which supply workers (in accordance with NACE Code N78). The majority of employees have permanent contracts to create a

stable platform for personal and career development. This enhances the sense of security for employees, improves the work-life balance and simultaneously increases the commitment and long-term loyalty to the company. As a consequence, the stability of the employment relationship contributes to knowledge retention and increase in productivity.

Specific working models such as shift work can also exert impacts. Such practices can offer the workforce more flexibility but they can also have negative impacts on the physical and mental health of employees. These models also allow the SURTECO Group to improve process optimization through operational flexibility and to increase production capacity.

Social security can also exert impacts on employees and companies. Inadequate social security can be a hazard to the work-life balance between family and career of the employees and this can lead to an increase in absenteeism as well as impairing smooth-running operations.

The occupational health and safety of the workforce is a top priority for the SURTECO Group. Implementation of a robust safety management system is extremely important in order to avoid potential accidents which could impact the employees. Naturally, accidents exert impacts on employees but they also impact on the organization. Some of the risks include interruptions to operations leading to productivity losses, increased insurance premiums, legal liabilities and reputational damage.

Risks are also entailed in the transition plan for climate protection. The derived measures or those measures still to be derived for reduction of CO₂ emissions can lead to technological changes that may result in changed qualification profiles for employees. There is also a risk of having to shut down the operation of CO₂-intensive production facilities.

Material matters for a topic, a sub-topic or a sub-sub-topic covered by this standard are as follows:

- Working conditions

Impact, risk and opportunity management

DR S1-1: Policies related to own workforce

The success of the SURTECO Group is substantially based on the knowledge and the commitment of its employees. Each individual in the company makes a positive contribution through their work to the company and at the same time gains an opportunity to undergo further personal development.

Diversity, equal opportunity and inclusion are a top priority for the company and central to our vision. This outlook promotes an environment in which people with diverse backgrounds and with a broad range of abilities can contribute significant value added. In line with our corporate values, we are committed to offering attractive social benefits and wide-ranging opportunities for individual development, while at the same time ensuring the well-being and health of our employees across the world. This objective is supported by our occupational health and safety management system.

Corporate Human Resources at the SURTECO Group directs the human resources strategy and establishes group-wide guidelines, processes and standards for our workforce in order to improve the development and efficiency of our employees.

We are also dedicated to continuing to foster a culture based on fairness and respect. In conjunction with our human rights officer and based on the SURTECO Group's human rights policy, we are committed to upholding the human rights of our employees and ensuring fair and equal treatment as a fundamental aspect of our work ethic. This commitment encompasses compliance with group-wide codes of conduct and safeguards against discrimination, harassment, child labour and retaliation, as approved by the Management Board. Discrimination is expressly interpreted to encompass reasons related to race and ethnic origin, skin colour, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national origin or social background, and other forms of discrimination that are defined in EU legal regulations and national legislation. Support measures for inclusion are implemented within the Group to meet specific needs and individual requirements.

The employees of the SURTECO Group receive comprehensive training on compliance with these standards. Furthermore, a binding Group regulation includes detailed instructions on personnel matters.

Our guidelines are based on the following internationally recognized reference tools for human rights and the environment in alignment with the United Nations Guiding Principles on Business and Human Rights:

- Universal Declaration of Human Rights of the United Nations
- International Covenant on Civil and Political Rights of the United Nations
- International Covenant on Economic, Social and Cultural Rights of the United Nations
- Sustainable Development Goals (SDGs) of the United Nations
- Principles of the United Nations Global Compact
- Charter of Fundamental Rights of the European Union
- Conventions and recommendations of the International Labour Organization on labour and social standards
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- Guidelines of the Organization for Economic Cooperation and Development (OECD) for Multinational Enterprises
- Eight ILO Core Conventions on Forced Labour, Child Labour, Discrimination, Freedom of Association and the Right to Collective Bargaining

Before entering into new business relationships, we conduct careful checks on our suppliers. If there are any human-rights or environmental breaches or potential violations, the Compliance Team introduces appropriate investigative measures. If this results in confirmation, we promptly request and implement appropriate remedial measures. Depending on the severity of the violation, this may result in termination of business relations.

Furthermore, the following disclosure obligations describe the process of the SURTECO Group for involving the company's own workforce, the available anonymous whistleblower system and the work of the Compliance Committee for highlighting concerns and the processes implemented to remedy negative impacts. The declarations provided in this section apply to all employees referred to in this context.

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

The SURTECO Group proactively promotes open dialogue between employees and provides various internal channels of communication in order to communicate and discuss company-specific topics and options for improvement:

- Workplace and staff meetings
- Informal online discussions between managers and employees
- Employee meetings
- Surveys on employee satisfaction

We attach great importance to integrating our staff in the business processes through constructive dialogue and ensuring prompt and comprehensive communication about internal changes while complying with national and international regulations. Furthermore, our representatives of the Group Works Council are members of the Supervisory Board. The interests of the employees are embedded within the strategy of the SURTECO Group and they play a key role in aligning the workforce with the corporate goals and hence contribute to the overall success of the company.

We assess the commitment of our employees through structured feedback interviews and surveys. These interactions enable us to appraise the effectiveness of our initiatives and to undertake any necessary improvements. Our last survey covered a series of topics including workforce engagement, working environment, communication, inclusion and workload. There is no focusing or prioritization concerning specific groups within the workforce.

We foster an open dialogue in an atmosphere of trust with employee representatives and also make use of the regular workforce meetings and information events for managers under the leadership of the Management Board. The members of the Executive Management Team act as multipliers for further trickle-down communication of information from the Management Board to the organization and ultimately to all employees.

All these activities are supported by regular information and notices, the Intranet and videocasts by the executive management and the Management Board.

Further insights into the engagement practices, and the interests and views of the stakeholders, particularly our own employees, can be found in the information in DR SBM-2, which can be found in this statement under Strategy in ESRS 2 General Disclosures.

DR S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns

Alongside direct communication with supervisors, the SURTECO Group provides employees with four formal means or channels in order to communicate their concerns and needs directly to the company (grievance mechanisms). These are as follows

- Questions at staff meetings (also possible anonymously)
- Whistleblower system (also possible anonymously)
- Works Council
- Human Resources Department

These channels are an integral component of the compliance and quality-management processes and they guarantee accessibility and effectiveness for all those concerned. Complaints are systematically recorded and processed by the Human Resources Department. Remedial measures are assessed and any appropriate action is taken.

The SURTECO Group is committed as advocates for the protection of whistleblowers, assistants in investigations and individuals subject to wrongful accusations. Their identity is treated in strict confidence but it is possible for individuals to reveal their identity voluntarily. The company pursues a policy of zero tolerance towards retaliation, discrimination or harassment of individuals who submit complaints or assist in investigations. Furthermore, individuals are also protected if they have been unjustly accused of wrongdoing. The protection is ensured by a Compliance Committee appointed by the Management Board.

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

The SURTECO Group makes strenuous efforts and invests considerable resources into the management of material impacts, risks and opportunities in connection with its workforce. The aim is to create secure workplaces and above-average working conditions in order to promote equal opportunities, development and productivity.

In order to improve the quality of work and employee loyalty, the SURTECO Group provides secure workplaces with a low proportion of temporary employment while prioritizing internal opportunities for career development. Flexible reintegration programmes, for example following parental leave, and flexible working models accompanied by remote working are offered. Competitive compensation systems guarantee fair pay, and diverse training, and competence development programmes promote talented individuals and managers. An open dialogue with the workforce and their representatives is proactively encouraged.

The culture of health and safety in the workplace is strengthened by regular risk assessments and enhanced by health-and-safety training. Accident analyses serve to minimize risks and promote continuous improvement of safety-at-work practices. The promotion of physical and mental health is supported by the provision of sports and health facilities.

Talented individuals are identified and promoted in the course of learning, training and competence development. A high-performance culture is supported by performance appraisal meetings.

Flexible working hours and a well-calibrated work-life balance are also furthered through part-time and full-time contracts with flexible working hours, the possibility of remote working and temporary changes of location, and diverse opportunities for special leave in the event of family and personal needs. Parental leave programmes are also available.

The remuneration and social benefits comprise competitive salary structures based on transparency and fairness. The remuneration structures are reviewed on an annual basis in order to guarantee equal pay. A variety of social benefits support employees in different living situations.

The SURTECO Group promotes freedom of association and collective bargaining through a culture of open dialogue with all employees and offers opportunities for organization and representation through collective bargaining.

The effectiveness of the measures is tracked by means of regular reviews of HR indicators for optimization of human-resource strategy, monitoring of learning programmes in accordance with recognized evaluation models, surveying workforce satisfaction and commitment and annual analysis of remuneration policy to maintain equal opportunities. Diversity strategies are appraised in order to identify potential for improvement. Measures to combat violence and harassment are continuously monitored.

These comprehensive measures promote a sustainable improvement in working conditions and employee retention over the long term.

Metrics and targets

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

Up to now, no quantitative targets were defined for the management of significant negative impacts, promotion of positive impacts and the management of material risks and opportunities. The SURTECO Group envisages defining these targets within the next 3 years.

DR S1-6: Characteristics of the undertaking’s employees

The gender distribution at the SURTECO Group for the reporting year 2024 remains similar to the previous year: 82 % of the workforce are male and 18 % are female.

| Number of employees (head count) | | |
|----------------------------------|--------------|--------------|
| Gender | 2023 | 2024 |
| Male | 2,994 | 3,050 |
| Female | 691 | 682 |
| Other | 0 | 0 |
| Not reported | 0 | 0 |
| Total employees | 3,685 | 3,732 |

The workforce is distributed over the regions of Europe, America and Asia-Pacific. The distribution of employees amounts to 57 %, 28 % and 15 % respectively. Germany represents the highest percentage of employees at 40 %, followed by the USA at 16 % and Thailand at 9 %.

| Number of Employees (head count) | | |
|----------------------------------|------------|------------|
| Country | 31/12/2023 | 31/12/2024 |
| Germany | 1,495 | 1,490 |
| USA | 588 | 588 |
| Thailand | 353 | 347 |
| Brazil | 247 | 261 |
| Portugal | 200 | 247 |
| United Kingdom | 179 | 174 |
| Canada | 136 | 152 |
| Sweden | 119 | 116 |
| Indonesia | 88 | 101 |
| Australia | 103 | 96 |

4 % of the employees are not listed in the table. They are distributed in the countries of Mexico, Poland, Italy, France, Russia, Czech Republic, Singapore and China.

The total number of employees at year-end 2024 is provided in the section Personnel Expenses in the Notes to the Consolidated Financial Statements.

In relation to the type of contract, 99 % of the employees have an permanent contract of employment and there are no deviations in terms of gender. As far as working hours are concerned, 95 % of the employees of the SURTECO Group worked on a full-time basis in 2024. A slight differentiation can be determined on the basis of gender: 97 % of the male employees compared with 83 % of the female employees worked full time. The average length of service worldwide in 2024 was 12.8 years (2023: 12.6 years).

| 2024 | | | | |
|---|-------|-------|---------------|-------|
| Female | Male | Other | Not Disclosed | Total |
| Number of employees (head count) | | | | |
| 682 | 3,050 | 0 | 0 | 3,732 |
| Number of permanent employees (head count) | | | | |
| 674 | 3,008 | 0 | 0 | 3,682 |
| Number of temporary employees (head count) | | | | |
| 9 | 41 | 0 | 0 | 50 |
| Number of non-guaranteed hours employees (head count) | | | | |
| 0 | 0 | 0 | 0 | 0 |
| Number of full-time employees (head count) | | | | |
| 567 | 2,962 | 0 | 0 | 3,529 |
| Number of part-time employees (head count) | | | | |
| 116 | 87 | 0 | 0 | 203 |

For purposes of disclosure, the category “Direct Employee” relates to all employees whose functions or tasks are directly related to the production of goods. The category “Indirect Employee” relates to all other

employees, which may include functional areas such as production management, logistics, sales, human resources, finance and others.

| Number of Employees by category | 2023 | 2024 |
|---------------------------------|-------|-------|
| Direct employees | 1,933 | 1,956 |
| Indirect employees | 1,752 | 1,776 |

As at 31 December, the group-wide employee turnover was 16 %.

| Employee Turnover | 2024 |
|---|------|
| Employee turnover (Number of employees) | 615 |
| Employee turnover rate (in %) | 16 |

The information was collected individually and consolidated for purposes of reporting. The personnel figures for all key indicators are based on the total number of employees at the end of the reporting period.

DR S1-7: Characteristics of non-employees workers in the undertaking’s own workforce

Generally employed for a defined period or a specific project, often in order to replace absent employees or to cover a seasonal requirement, and mainly recruited from work agencies, specialised in “employment activities” (NACE Code N78). The proportion of non-employees in the SURTECO Group workforce is 1 % and the majority of the positions are under the category of direct employees.

The assessment is based on the total number of non-employees at the end of the reporting period.

DR S1-8: Collective bargaining coverage and social dialogue

A total of 58 % of SURTECO employees are covered by collective bargaining agreements, and 51 % of employees are represented by employee representatives.

| 2024 Coverage Rate | Collective Bargaining | | Social dialogue |
|--|-------------------------------|---|--------------------------|
| | Employees | Employees | Workplace representation |
| (for countries with >50 empl. Or representing >10 % total empl.) | EEA | Non-EEA | EEA |
| 0 - 19 % | - | Asia- Pacific Europe - Great Britain | Portugal |
| 20 - 39 % | - | - | - |
| 40 - 59 % | - | America | - |
| 60 - 79 % | - | - | - |
| 80 - 100 % | Germany Portugal Sweden | - | Germany Sweden |

The coverage rate takes into account the number of employees who are covered in each country or each region by collective bargaining agreements or employee representatives, in relation to the total number of employees in this country or this region, if they have more than 50 employees or make up more than 10 % of the total workforce [see the breakdown of employees by countries in DR S1-6].

DR S1-9: Diversity metrics

Diversity shapes the corporate culture of the SURTECO Group. Across the world, employees from more than 50 different nationalities are part of the Group's workforce.

| Employees by nationality in % | 2023 | 2024 |
|---|-------------|-------------|
| German | 36 | 35 |
| US - American | 16 | 16 |
| Thai | 10 | 9 |
| Brazilian | 7 | 8 |
| Portuguese | 5 | 5 |
| British | 4 | 4 |
| Canadian | 4 | 4 |
| Swedish | 3 | 3 |
| Australian | 3 | 3 |
| Other nationalities | 12 | 13 |

The proportion of female employees in the total workforce of SURTECO is 18 % for the reporting year 2024. At the highest management level, the Extended Management Team (1st level below the Management Board), the proportion of women is 11 %. The targeted proportion of women on the Management Board and the Supervisory Board of the SURTECO Group was not achieved in the current business year.

The average age of all employees is 43.8 years after 44.1 years in the previous year.

| Employees by age group in % | 2023 | 2024 |
|---------------------------------------|-------------|-------------|
| Under 30 years | 15 | 15 |
| 30 - 50 years | 46 | 46 |
| Over 50 years | 39 | 39 |

DR S1-10: Adequate wages

Consolidated information for all Group companies is not yet available. The SURTECO Group intends to collect and consolidate the information after the implementation of ESG software. This data can then be published in the next Sustainability Statement.

DR S1-11: Social protection

The total workforce of the SURTECO Group has social security through public programmes or benefits provided by the company. This cover is in accordance with applicable standards in the event of one or more major life events (e.g. illness or parental leave).

DR S1-12: Persons with disabilities

A policy of non-discrimination and integration is part of the corporate values of the SURTECO Group. Within the Group, 2 % of the workforce are people with disabilities. If the distribution of employees by gender is analysed, the percentage of people with disabilities is 2 % equally distributed for both genders.

The information was recorded individually and consolidated for reporting purposes. The different statutory definitions and guidelines in the various countries where the Group is operating are taken into account.

DR S1-13: Training and skills development metrics

In the reporting year 2024, 49 % of the employees took part in regular performance and career development meetings. On the basis of the gender distribution, 48 % of the female employees and 53 % of the male employees took part in the assessments.

Overall, 45,610 training hours were recorded across the Group. Out of these, 32 % were attributed to onboarding training sessions and 21 % to safety training sessions. In addition, topics such as human rights and environmental prevention were addressed, albeit to a lesser extent.

| Training and skills development | 2023 | 2024 |
|---|--------|--------|
| Number of training hours | 31,784 | 45,610 |
| Average training hours per employees | 9 | 12 |
| Training hours per gender | | |
| Average training hours per female employees | - | 18 |
| Average training hours per male employees | - | 11 |
| Training hours per category | | |
| Average training hours per direct employees | - | 13 |
| Average training hours per indirect employees | - | 11 |

The employee figures including the total numbers by gender and category are provided in section DR S1-6 – Characteristics of the undertaking's employees [pay gap and total compensation].

Owing to the short term of their contracts, non-employees are generally not subject to review. However, training is carried out for all workers at SURTECO. There is no consolidated information yet about all Group companies for non-employees.

DR S1-14: Health and safety metrics

The safety of our workforce is a top priority at the SURTECO Group. All employees are covered by a health and safety management system. 18 % of the workforce are covered by a system based on recognized standards certified by an external party.

Additional information on recognized standards and certifications, in particular in relation to occupational health and safety, is available in DR MDR-T. You can find such information in this statement under the section Impacts, Risk and Opportunity Management of ESRS 2 General Disclosures.

In the course of the reporting year 2024, no fatalities resulting from work-related injuries or illnesses were recorded for our own workers or among other workers in the value chain while working at our facilities.

However, 101 occupational accidents were recorded with a total of 2,453 days of absence. Out of a total of 6,929,991 working hours, this yields an accident frequency rate of 14.6 accidents for every 1 million working hours.

| Occupational accidents | 2023 | 2024 |
|---|-------------|-------------|
| Number of occupational accidents | 88 | 101 |
| Number of days lost due to occupational accidents | - | 2,453 |
| Frequency rate per 1 million working hours | 12.5 | 14.6 |

DR S1-15: Work-life balance metrics

More than 95 % of the employees working in the Group are entitled to holiday for family reasons. In the reporting year 2024, 15 % of the entitled employees took leave for family reasons. For the gender distribution, the proportion is rather similar: 18 % of the eligible female employees took leave for family reasons, compared with 15 % of the eligible male employees.

The information was collected individually and consolidated for the purposes of reporting.

DR S1-16: Compensation-metrics (pay gap and total compensation)

Consolidated information for all Group companies is not yet available. Once the ESG software has been implemented, the SURTECO Group intends to collect and consolidate the information, which will then have to be published in the next Sustainability Statement.

DR S1-17: Incidents, complains and severe human rights impacts

In the business year 2024, no suspected cases and no confirmed cases of human rights violations were registered in the SURTECO Group.

Governance information

ESRS G1 BUSINESS CONDUCT

Governance

DR related to ESRS 2 GOV-1: The role of the administrative, supervisory and management bodies

Information on the roles and competences of the Management Board and the Supervisory Board of SURTECO is listed in DR GOV-1. This information can be found in the section Governance of ESRS 2 – General disclosure standard of this statement.

Impact, risk and opportunity management

DR related to ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

SURTECO determined its material impacts, risks and opportunities using the methodology for the materiality analysis, which is described in DR IRO-1 and in the section Impacts, risk and opportunity management of the ESRS 2-Standards for General Disclosure found in this statement.

In addition to the process referred to above, other factors were taken into account when assessing the issues relating to business conduct, such as:

- Corporate culture, values and principles of organization (Code of Conduct and Human Rights Declaration),
- Results from the internal audit processes,
- Risk-management and whistleblowing systems,
- Antitrust and competition practices,
- Procedure for combatting corruption and conflicts of interest.

The following material matters and topics, sub-topics and sub-sub-topics are covered by this standard:

- Corporate culture

DR G1-1: Corporate culture and business conduct policies and corporate culture

The corporate culture of the SURTECO Group is defined in the group-wide Code of Conduct and it undergoes continuous further development within the framework of the corporate strategy. This corporate culture is based on the values of reliability, engagement, transparency, integrity and fairness. It includes the following principles:

- Lawful and ethically sound conduct in compliance with legislation and other legal requirements, and cultural framework conditions,
- Loyalty to the company,
- Fair, polite and respectful dealings with all employees and third parties,
- Taking adequate account of the interests of customers and business partners,
- Social engagement,
- Commitment to sustainable business, environmental protection and occupational safety,
- Refraining from any form of discrimination based on gender, race, religious beliefs or other characteristics,
- Responsible and transparent handling of risks,
- Professionalism, fairness and reliability in all business relationships.

These principles are complemented by internal guidelines, which are specifically directed towards combating corruption, bribery and money laundering, the avoidance of conflicts of interest and compliance with antitrust and competition law. All managers working in the company are committed to ensuring compliance with the Code and carrying out checks as necessary. Every employee is encouraged to seek advice and assistance from their supervisors, the relevant departments, the Compliance Officer or employee representatives if they are harbouring legal doubts about their own conduct or become aware of legally questionable activities in their working environment. In order to safeguard compliance, SURTECO conducts compliance training within the framework of its Governance Strategy. These issues are managed through an online training system conducted on an annual basis and the training is mandatory for all employees. The programme has already been launched in Germany and is gradually being rolled out across the entire Group. All employees must go through basic training for corruption and bribery, while high-risk functions such as management teams and the Purchasing Department receive targeted training.

Employees and external third parties have access to a whistleblower system that enables them to report any breaches of the Code of Conduct or other violations. Reports can also be submitted anonymously. The protection of whistleblowers is ensured by a Compliance Committee appointed by the Management Board. Any action by the committee is guided by an internal policy. Monitoring and identification of compliance incidents is carried out by Internal Audit and the Compliance Officers, who are responsible in the organization for handling compliance topics.

DR G1-2: Management of relationships with suppliers

The group-wide Corporate Centre "Group Procurement" defines the framework conditions for procurement and coordinates the relationships with suppliers. Appropriate Lead Buyers have been defined for the most important product groups. These buyers ensure the necessary quality and certificates in the selection of suppliers. Wherever possible and economically feasible, the robust nature of the supply chain is safeguarded by means of a multisourcing strategy and the integration of local suppliers. The Group has its own Supplier Code containing detailed guidelines for ethical, social and environmental standards. Compliance with these standards is proactively promoted. The avoidance of payment delays, particularly in the case of small and medium-sized companies, is ensured through defined processes for incoming invoices within the relevant Enterprise Resource Planning systems.

DR G1-3: Prevention and detection of corruption and bribery

The system for prevention of corruption and bribery is made up of appropriate guidelines that were drawn up within the framework of the Compliance-Management-System. These have clear rules, examples and measures for reducing the risk of corruption. These guidelines are disseminated through a management system available across the Group. Communication of information is supported through messages in the Intranet. The company carries out training sessions for all employees on general compliance principles for purposes of prevention. These training sessions provide explanations of the definition of corruption and bribery, and they present concrete measures and examples concerning prevention and avoidance mechanisms. Corruption and bribery can be reported confidentially in a whistleblower system. This is also available to third parties. A defined Compliance Team manages this process and reports directly to the Management Board. This safeguards the independence of the management chain. If measures of the Compliance Team are adopted or recommended a report is submitted directly to the Management Board. Otherwise, the Management Board is informed by the Compliance Officer about the cases under investigation in the course of regular reporting. Suppliers are provided with information about the general prohibition on corruption and bribery

in the Supplier Code of Conduct. During the business year 2024, SURTECO carried out compliance training sessions, which provided information on combatting corruption and bribery. This training is mandatory for every employee and is carried out on an annual basis. In 2024, the online training system was implemented in Germany and it is gradually being rolled out across the world. 67 percent of the employees in Germany (40.0 % of the employees worldwide work in Germany) completed the Compliance Basic Training in 2024. No training on the prevention of corruption and bribery took place outside Germany in 2024. Members of the administrative, management and supervisory bodies of SURTECO GROUP SE did not receive separate training on the prevention of bribery and corruption in 2024.

Metrics and targets

DR G1-4: Confirmed incidents of corruption or bribery

In the business year 2024, no suspected cases and therefore no confirmed cases of corruption or bribery were identified. No judgments or financial penalties were handed down. The measures adopted in order to counteract breaches against procedures and standards for combatting corruption and bribery have essentially been based on the checks carried out by Internal Audit, which regularly carries out inspections of the locations.

DR G1-5: Political influence and lobbying activities

In the business year 2024, no financial support or donations in kind were made to political parties. No company of the SURTECO Group has been entered in the EU Transparency Register or in the local Transparency Registers of the relevant governments. However, SURTECO is a member of several sector-related stakeholder associations and think tanks in Germany.

DR G1-6: Payment practices

The SURTECO Group has defined no group-wide uniform payment conditions. There are also no specific guidelines or special practices for small and medium-sized companies.

In the business year 2024, the average standard payment conditions amounted to 56.9 days for goods and 41.5 days for services. These standard terms and conditions were applied in 87.5 % of cases for goods and in 87.7 % of cases for services. The average time to pay an invoice was 36.5 days for goods and 21.3 days for services.

Available data representing about 62 % of the Group's locations were used for purposes of calculation.

No court procedures relating to delayed payments are pending.

* The contents of this section "Non-financial Statement" have not been audited.

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