

SUSTAINABILITY REPORT 2023





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ENVIRONMENT



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FOREWORD

Dear Ladies and Gentlemen,

The year 2023 marks an era of profound change, comparable to the challenges of the post-war period. Overcoming the pandemic, the war in Ukraine and the conflict in the Middle East led to a new global dynamic and multipolarity. Raw material shortages, trade restrictions, and sanctions had a significant impact on the reorganization of supply chains, creating significant challenges for companies, particularly in terms of pricing and flexibility. In addition, we have observed a worsening shortage of skilled labor in many industries and countries. In some regions of the world, the baby boomer generation is retiring, leading to the departure of highly experienced employees. This trend is exacerbating the shortage of skilled workers and further intensifying the competitive environment for companies. Furthermore, the very weak growth in global trade volume of less than 1% in 2023 has made the situation even more difficult. However, our strong employee relations and commitment to workforce development have helped us navigate these challenges effectively.

Despite these difficulties, passenger car production showed an upward trend last year. KIRCHHOFF Automotive benefited in particular from the significant increase in new registrations of electric cars. In recent years, we have focused on the development of safety-relevant metal structural components, especially with regard to modified car bodies and requirements such as those found in electric vehicles. This paid off in 2023. Many new products and safety structural parts for electric vehicles were successfully launched on new production lines at KIRCHHOFF Automotive's European and North American plants last year.

Additionally, last year, the global challenges of climate change and its impact on communities around the world became more apparent than ever. The increasing importance of this topic is evident in the new legal regulations coming into effect, such as EU Taxonomy, Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standard (ESRS), the German Supply Chain Act and the Corporate Sustainability Due Diligence Directive (CSDDD). Therefore, the year 2023 was marked by our dedicated efforts to integrate principles of sustainable development into both our day-to-day operations and our long-term corporate strategy. In response to these challenges, we focused on improvement of precise reporting and setting credible goals. We continued our commitment to innovate and collaborate to minimize our carbon footprint,



conserve natural resources and promote greater social equity. We have been committed to sustainable development for many years and we expect the same from our business partners. To clearly convey our expectations to the supply chain, we have implemented our Code of Conduct for Suppliers.

The verifiability of the effectiveness of our actions is enabled through our continuously improved reporting process. For several years, we have measured our carbon footprint, initially including scope 1 and 2, while estimating scope 3 emissions. This year, we expanded our efforts and precisely calculated scope 3 for all relevant categories. Furthermore, we undertook the complex task of updating our base year from 2019 to 2022 to enhance the accuracy of our environmental data.



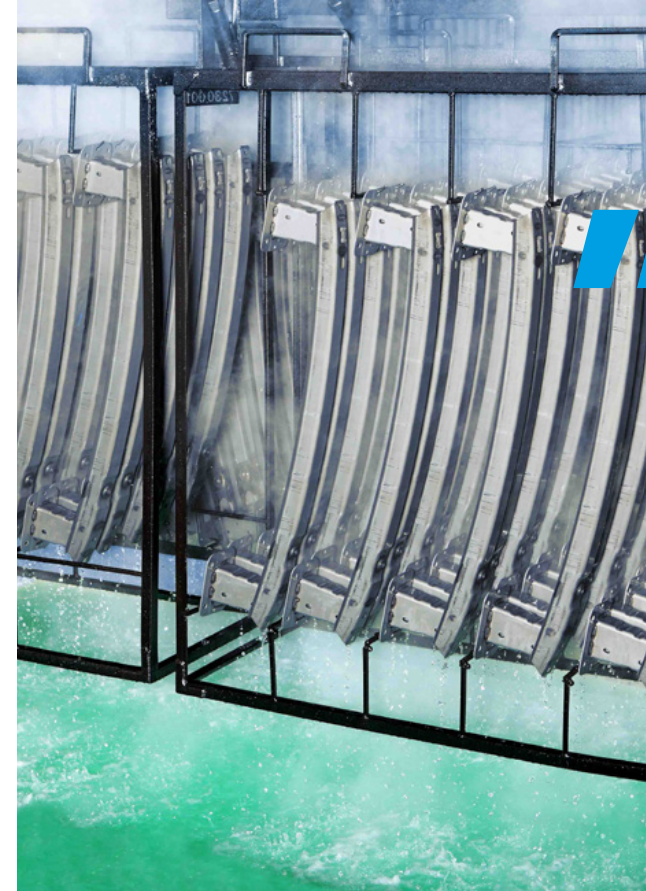
For years, our climate initiatives have been designed to drive positive change, with the aspiration of achieving our net-zero target. To transform our predictions into more precise, scientifically validated outcomes, in 2023 our targets have started the verification phase with SBTi which was successfully completed in 2024. The SBTi process, grounded in scientific methods, has confirmed our assumptions that scope 3 emissions are our primary challenge.

One of the key leverage points identified by SBTi for reduction is focusing on the supply chain. Consequently, we must develop and intensify our collaboration with green steel suppliers, especially procuring raw materials which contribute to 90% of our emissions. That is why we have entered into partnerships with the largest European steel producers to develop CO₂-free or CO₂-reduced steel. We support and cooperate with companies such as ArcelorMittal, Thyssenkrupp Steel Europe, SSAB and H₂Green Steel to validate the new steel grades and thus bring car body parts to series production. At the same time, we are securing this coveted material for ourselves and our customers, without which there will be no CO₂-neutral cars in the future. Thanks to these collaborations, series production of a safety-relevant component made of “green” steel is already planned for a major premium manufacturer in the near future.

Achieving these objectives requires cooperation with various business partners. Emissions coming from our own operations account for merely 3% of our total emissions. By 2023, nearly all our European facilities were purchasing green electricity. However, the challenge remains with natural gas, which is used in technological processes and whose consumption is significant; yet, we are also exploring options on this front to reduce emissions.

The most work, however, needs to be done in scope 3, where the engagement of suppliers and customers is essential. Our role in this area has been recognized by the CDP, which in the Supplier Engagement Rating Report, evaluated our progress from a D rating in 2022 to a solid B in 2023.

All our efforts were noticeable in the environment field and allowed us to gain commendable ratings. We are thrilled to announce that KIRCHHOFF Automotive has achieved in category Climate Change a remarkable upgrade from a C in 2022 to a B in 2023. This places us within the top 37% of companies that have reached the Management level within our Activity Group (Metal products manufacturing), signifying a commendable advancement in our environmental performance. Notably, our achievement aligns with the Europe regional average of B and surpasses the Metal Products Manufacturing sector average of C.



Furthermore, our commitment to water security has yielded positive outcomes, with KIRCHHOFF Automotive securing a B- in this theme domain, placing us once again in the Management band. This accomplishment positions us among the top 33% of companies within our Activity Group, surpassing both the Europe regional average of C and the Metal Products Manufacturing sector average of C.



This underscores our dedication to continuous improvement. Collaborative efforts with our business partners to reduce emissions are a key priority for us. However, upholding human rights throughout our value chain has always been and remains a core value for us. In this regard, we are pleased to announce that our plant in Mielec, Poland, has successfully earned a full RSCI label. With a perfect score of 100/100 and no critical or zero-tolerance findings, this assessment confirms that no fundamental or critical violations were identified in the social area at the time of evaluation, underscoring our commitment to a responsible supply chain.

Observing the emerging trends in the labor market and meeting the needs of new generations, this year we have expanded our presence on social media. We have established an internal Facebook group "KA-Community" and embraced new channels such as Instagram and LinkedIn.

Our new recruiting initiative called 'Heavy Metal' campaign was noticed not only by candidates who eagerly applied for positions, but also by the jury in two competitions, placing us in third position in the HRKOMM Awards competition and earning gold in the prestigious HRBest Award 2023 in Hungary.

As a family-owned company, we uphold our traditions of hosting family events, providing social care, and offering diverse benefits. Despite the challenges we faced, we maintain our reputation as a dependable employer.

Cumulative assessment of 21 sustainability criteria from four core areas: environment, labor & human rights, ethics and sustainable procurement were subject to assessment of EcoVadis rating. We were particularly pleased to receive EcoVadis silver medal in 2023, which places us in the top 14% globally, out of the approximately 85,000 companies assessed according to the EcoVadis standard.

We are proud to share with you our achievements in these areas, which not only contribute to the protection of our planet, but also create value for KIRCHHOFF Automotive's various stakeholders.

I encourage you to read this report, which details our initiatives, achievements and goals for the future. It is through collaboration with our partners, employees and customers that we can strive to realize our vision of a more sustainable future.



Thank you for your continued support and trust.

Best regards,

J. Wolfgang Kirchhoff
Chairman of the Executive Board & CEO



ESG RATINGS

The company actively engages with several globally recognized sustainability rating systems, which not only to bolster our position on the market but also to serve as strong motivators for our relentless pursuit of improvement. These ratings provide valuable benchmarks, guiding us towards progressively higher standards of environmental stewardship, social responsibility, and economic viability. Embracing these standards demonstrates our commitment to sustainable practices as well as reinforces our dedication to making meaningful contributions to a more sustainable future for all.



RSCI

In the Mielec plant, in September 2023, we completed the RSCI assessment process, achieving the FULL label without any critical or zero tolerance findings and earning a score of 100/100. This label remains valid for our company until October 2026.



SUSTAINABILITY ASSESSMENT QUESTIONNAIRE (SAQ) 5.0

In 2023, 20 of our Plants responded to SAQ. All our SAQs were upgraded to 5.0 version. The average for all plants is B85. That significantly exceeds averages for countries, headcount, and industry.





For Climate Change, we received a B rating. This matches the Europe regional average of B and is higher than the Metal products manufacturing sector and global averages of C.

In Water Security, we received a B- rating, which is higher than our sector, european, and global averages.

Additionally, we earned a B in the Supplier Engagement Rating. This achievement significantly exceeds the industry and global averages of C, as well as the european average of B-.



EcoVadis is one of the world's largest provider of business sustainability ratings. With a score of 65 out of 100, KIRCHHOFF Automotive is among the top 14% of all companies assessed by EcoVadis.

In our industry (manufacture of parts and accessories for motor vehicles) we are in the group of top 5% companies with the highest score. We gained 65 points which is on average 17 points higher than our industry peers.





GENERAL DISCLOSURES



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BASIS FOR PREPARATION

BP-1 General basis for preparation of the sustainability statement

The KIRCHHOFF Automotive 2023 Sustainability Report provides a comprehensive overview of KIRCHHOFF Automotive's strategy, goals, and performance with regard to sustainability.

Our KIRCHHOFF Automotive operating sites:

| Europe | |
|----------|---|
| Germany | Attendorn (Manufacturing plant + Tool-shop) |
| | Iserlohn |
| | Saarwellingen |
| Poland | Mielec (Manufacturing plant + Tool-shop) |
| | Gliwice |
| | Gniezno |
| Portugal | Ovar |
| | Cucujães |
| Spain | Figueruelas |
| Ireland | Letterkenny |
| Hungary | Esztergom |
| Romania | Craiova |
| | Pitesti |

Scope of consolidation

Our sustainability statement has been prepared on a consolidated basis to provide a holistic view of our sustainability performance across all entities within our organizational structure and it covers KIRCHHOFF Automotive's own operations as well as upstream and downstream value chain, where it is material.

We confirm that the scope of consolidation is the same as for our financial statements, ensuring consistency and comparability in reporting.

North America

| | |
|--------|------------|
| Canada | Aurora |
| | North York |
| USA | Atlanta |
| | Dallas |
| | Manchester |
| | Lansing |
| | Tecumseh |
| Mexico | Waverly |
| | Puebla |
| | Querétaro |

Asia

| | |
|-------|----------|
| China | Suzhou |
| | Shenyang |

Omission of information

We have chosen not to disclose certain information relating to intellectual property and know-how. Intellectual property and know-how are an essential part of our competitive advantage and set us apart from others in the industry. Therefore, in line with our business strategy and in order to protect our proprietary information, we have chosen not to include this data in our sustainability statement

Reporting period

This report covers the period between 01.01.2023 until 31.12.2023 which is consistent with fiscal year 2023 of KIRCHHOFF Automotive AG (hereinafter known as "KA"). The report was not subject to external assurance.

Significant changes in the organization

On July 31 in the year 2023, the Shareholders Meeting of KIRCHHOFF Automotive GmbH, Iserlohn, resolved to change its legal form to a stock Corporation under German law, bearing the name KIRCHHOFF Automotive AG, Iserlohn. The change was entered in the commercial register on November 6, 2023.

BP-2 Disclosures in relation to specific circumstances

Disclosures stemming from other legislation or other sustainability reporting standards

For 2023, the report has been restructured to include a sustainability statement in preparation for compliance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), while also incorporating information from the GRI standard. As we report with reference to GRI Standards to ensure transparency on which disclosures from standards were reported we mirror it in GRI Content Index.

Changes in preparation or presentation

Compared to previous reports, we have made significant changes in the preparation and presentation of our sustainability information due to the adoption of the ESRS framework. These changes primarily involve the reorganization of topics previously reported under GRI standards into new sections that align with ESRS requirements. In particular, our preliminary assessment of biodiversity impacts confirms that none of our production sites are located in or near areas with high biodiversity or nature conservation significance. As a result, this topic is not currently included in our report.

Reporting errors in prior periods

During this reporting period, we identified some slight differences in the data due to updates in our reporting methodology. These differences, along with the reasons for the updates, are detailed in the relevant sections of this report or in the footnotes of the data tables. Where necessary, the comparative figures from previous periods have been adjusted to reflect these updates.

Incorporation by reference

When KIRCHHOFF Automotive includes information by reference in this report, it follows ESRS 1 Section 9.1, "Incorporation by Reference," and clearly shows where the required information can be found.

Use of phase-in provisions

We have opted to omit detailed disclosures for the requirements listed below:

- E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
- E2-6 – Anticipated financial effects from material pollution-related risks and opportunities
- E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities
- E5-6 – Anticipated financial effects from material resource use and circular economy-related risks and opportunities

External assurance and compliance with european standards

For this reporting period, the sustainability data and processes have not undergone comprehensive external assurance. However, certain aspects of the information provided are subject to external verification through specific frameworks, including CDP, SBTi (Science Based Targets initiative), and EcoVadis.

GOVERNANCE

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

Governance structure

KIRCHHOFF Automotive Group has a two-tier management system consisting of the Supervisory Board and the Executive Board of KIRCHHOFF Automotive Holding Verwaltungsgesellschaft AG ("KIRCHHOFF Automotive Holding"). KIRCHHOFF Automotive Holding is responsible for the Group's business strategy, including sustainability matters, and overall management. The Group's main operations are focused on the KIRCHHOFF Automotive AG activities.

In 2023, the Executive Board of KIRCHHOFF Automotive AG was composed of three members: J. Wolfgang Kirchhoff (Chairman of the Executive Board and Chief Executive Officer), Dr. Thorsten Gaitzsch (Chief Technology Officer), and Hagen Reck (Chief Financial Officer).

The Executive Board of KIRCHHOFF Automotive AG executes the Group's strategy, decides on the principal guidelines for managing the company, and is ultimately responsible for managing the company's affairs and operations, and for compliance with provisions of applicable laws and our control guidelines. It is supervised by the Supervisory Board of KIRCHHOFF Automotive AG which appoints the Chairman and members of the Executive Board of KIRCHHOFF Automotive AG. The allocation of responsibilities in the Executive Board is based on the rules of procedure decided by the Supervisory Board of KIRCHHOFF Automotive AG.

At the same time, the Executive Board of KIRCHHOFF Automotive Holding AG is charged with the task of advising and supervising the Executive Board of KIRCHHOFF Automotive AG in its management and is consulted directly on decisions of fundamental significance for the company.

The Executive Board of KIRCHHOFF Automotive AG is advised in the strategic orientation by the Risk and Compliance Committee and the Global Executive Team (GET). The members of these corporate bodies are senior managers responsible for either different business areas or functions globally and report directly to the respective members of the Executive Board.

The KIRCHHOFF Automotive companies are managed solely by their respective managements. The Managing Directors of each KIRCHHOFF Automotive company take into account not only the interests of their own company but also the interests of the entire Group in accordance with the framework laid down by law.

J. Wolfgang Kirchhoff
Chairman of the Executive Board & CEO



Hagen Reck
Member of the Executive Board & CFO



Dr. Thorsten Gaitzsch
Member of the Executive Board & CTO



Executive Board of KIRCHHOFF Automotive AG

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

Sustainability-related expertise

KIRCHHOFF Automotive seeks to be diverse in the broadest sense relevant in the top management composition. When searching for candidates, the decision is based on filling out any competence gaps or strengthening specific competencies in all management bodies. This is based on the collective competencies that are relevant at the time. KIRCHHOFF Automotive also recognizes the benefits of diversity in terms of cultural background, gender, age, etc.

Management bodies are competent in business and project management, legal, accounting and financing expertise. This allows effectively supervising matters and requirements for the Group related to ESG (Environmental, Social, Governance), sustainability, and impact management. The current top management competencies cover i.a. the following areas:

- Strategic management
- Corporate governance, compliance & risk management
- Finance and accounting
- IT and cyber security management
- Production & sales in automotive industry
- Supply chain management
- R&D
- Quality assurance
- HR management and H&S
- Environment protection
- Sustainability / ESG



Nationality & residence

Germany (18) / Canada (2) / USA (2) / Poland (2) / Belgium (1) / Ireland (1)

Independence rate

12%

Age distribution (years)

Under 30 (0) / 30–50 (12) / over 50 (14)

Gender

Female (5) / Male (21)

Educational backgrounds

Mechanical Engineering, Business Administration, Business and Operational Management, Economics, Industrial Engineering, Financial and Management Accounting, Controlling & Auditing, Master of Science in Information Systems, History and Sociology, Spanish, Technical Business Administration, MBA, Strategy and Management, Mathematics, Engineering Geology, Environmental Protection

Top management diversity by the end of 2023

Responsible business conduct

KIRCHHOFF Automotive has adopted a fair, transparent, and accountable business approach aimed at achieving sustainable growth in value and has undertaken the necessary steps to integrate this approach into our corporate culture.

KIRCHHOFF Automotive's business processes consider our stakeholders' expectations and are designed to ensure that our business practices comply with legal and ethical requirements. The KIRCHHOFF Automotive values form the basis of our daily actions and reaffirm our responsibility towards simultaneous sustainable development, environmental protection, and social responsibility.

Sustainable development with clear accountability

In order to ensure the company's sustainable development and to meet its commitments to environmental and social sustainability, there have been assigned appropriate responsibilities to the members of the Executive Board. The Chief Executive Officer has authority over and ultimate responsibility for the company's governance principles. The Chief Financial Officer oversees governance, risk management, and compliance and is responsible for social and environmental sustainability while the accountability and responsibility for operational execution lie with the Managing Directors of KIRCHHOFF Automotive companies and ultimately rests with the Chief Technology Officer.

Corporate Social Responsibility & Sustainability Steering Team

Executive Board of KA

GET

Corporate Social Responsibility & Sustainability Team

Global Corporate Social Responsibility & Sustainability Director

Economics

Global Vice President
Accounting &
Consolidation

Working Conditions & Human Rights

Global Executive
Vice President
Human Resources

Governance & Business Ethics

Global Director
Governance, Risk &
Compliance

Environment

Global Environment &
Energy Management
Manager

Support Team

Legal

Sales

IT (tech.)

Marketing & Communication

Procurement

The Executive Board, supported by the Risk and Compliance Committees, systematically identifies and assesses the threats and opportunities connected with social and environmental factors and the environmental and social impact of KIRCHHOFF Automotive's business activities. The evaluation results are taken into account when defining sustainability strategy and setting environmental and social objectives.

To better support the sustainable development and decision-making on sustainability matters, the Executive Board established a Corporate Social Responsibility and Sustainability (CSR&S) Steering Team consisting of the members of Executive Board and Global Executive Team (GET). The CSR&S Steering Team, chaired by the CFO, develops the sustainability agenda, sets KIRCHHOFF Automotive's sustainability objectives, controls progress against sustainability targets and manages material impacts, risks and opportunities.



KIRCHHOFF Automotive's day-to-day sustainability operational work is led by the Global CSR&S Director who reports to the CFO. The CSR&S Director coordinates all sustainability initiatives, leads related reporting efforts, and serves as the primary contact for sustainability matters. Oversight of economic matters is anchored in Global Vice President Accounting and Consolidation, social in Global Executive Vice President Human Resources whereas the environmental and governance matters are managed by the Global Environment and Energy Management Manager and Global Director Governance, Risk and Compliance, respectively. There is also a support team established where various profiles (e.g. Procurement, IT, Sales) are represented in terms of experience and expertise, but also represent different stakeholders' interests.

The overall responsibility for deployment of the sustainable strategy and respective requirements into practice in the locations where the organization operates and ensuring compliance with the defined framework conditions sits with the competent local Managing Directors.

All operational sustainability topics are communicated to the Executive Board as part of a regular business reporting via the following tools:

- Working group meetings (periodic and ad hoc)
- Monthly project review
- Systems for reporting project and financial data

In addition, the members of the Global Executive Team receive updates on ESG matters from the Global CSR&S Director every half-year.

The year-on-year KIRCHHOFF Automotive sustainability reports, including the selection of material topics contained within it, are widely consulted in the organization and approved by the Executive Board of KIRCHHOFF Automotive Group ultimately.

GOV-4 Statement on due diligence

The following table outlines how KIRCHHOFF Automotive incorporates the key aspects of due diligence for people and the environment, and where they are addressed in this Sustainability Report.

| Due diligence process basic elements | ESRS disclosure |
|--|--|
| Embedding due diligence in governance, strategy and business model | GOV-1, GOV-2, GOV-3, SBM-1 |
| Engaging with affected stakeholders | SBM-2, GOV-2, IRO-1, E1-2, E2-1, E3-1, E5-1, S1-1, S1-2, S1-3, S1-8, S2-2, S3-1, S3-2, G1-1, G1-2, G1-3 |
| Identification and assessment of adverse impacts | SBM-1, SBM-2, IRO-1, S1-17, G1-1, G1-2 |
| Taking actions to address those adverse impacts | E1-3, E2-2, E3-2, E5-2, S1-3, S1-4, S1-17, S2-3, S2-4, S3-3 |
| Tracking effectiveness of these efforts and communicating | E1-4, E1-5, E1-6, E1-7, E1-8, E1-9, E2-3, E2-4, E2-5, E3-3, E3-4, E5-3, E5-4, E5-5, S1-5, S1-6, S1-7, S1-8, S1-9, S1-10, S1-11, S1-12, S1-13, S1-14, S1-15, S1-16, S1-17, S2-5, S3-5 |

GOV-5 Risk management and internal controls over sustainability reporting

The CSR&S Team is accountable for providing and managing a consolidated data model for the entire KIRCHHOFF Automotive group. All data is collected via multiple software applications and consolidated centrally.

The team ensures the standardization of terms, formulas, provides full transparency and traceability of the data and basic metrics such as emissions factors in compliance with the GHG Protocol.

This centralized approach to reporting allows the Global CSR&S Director to verify data input, identify and rectify inconsistencies or errors in data submitted by the business units. The Chief Financial Officer oversees the management of internal controls and holds ultimate accountability for the overall sustainability report.

The process of risk management and internal control over sustainability reporting is not separated at KIRCHHOFF Automotive. However, KA Sustainability Report is exposed to the risk of misstatement or miscalculations due to human error or incomplete data, which is magnified by our global and geographically dispersed activities, and also lack of ESG reporting software tool dedicated to ESRS requirements.



These matters are managed within existing methods and processes established for the last sustainability reports.

Some of the most important are:

- Advanced accounting systems, systems for business reporting and a workflow system for documents and processes
- The process for collecting environmental and H&S data that has been developed for Energy, Environment and H&S certification
- Transparent financial procedures, compliance
- A well-established and transparent organizational structure
- Competence, knowledge and experience of those involved in the sustainability reporting

- Supervision of the system by managers, and regular assessment of the CRS&S Team activities
- Environmental data evaluated by CDP
- EcoVadis evaluation of ESG data received for data quality and accuracy – Silver Medal
- Close cooperation with GRC Team on KIRCHHOFF Automotive documentation compliance

In addition, ESRS requirements have been adopted for sustainability data presented in the Sustainability Statement to the most possible extent.

STRATEGY

SBM-1 Strategy, business model and value chain

Products

We offer body solutions that make tomorrow's mobility safe. Our innovative and economical lightweight products ensure that people are optimally protected in the event of an accident.

Less material means less weight, thus less fuel consumption and ultimately less impact on the environment. That's why our focus is on developing cost-effective, safety-relevant components in lightweight design for the vehicles of the future. For the manufacture of our products, we use special steel grades which through special forming processes, alone or in combination with aluminum or plastic, make a decisive contribution to reducing the weight of a component. Together with our steel suppliers, we are working on bringing CO₂-reduced steel into series production. By doing so, we aim to promote greater sustainability and contribute to combating climate change.

Concepts for the safe storage of batteries, crash management systems that ensure sufficient deceleration in the event of an accident and the further development of the technologies required to implement these innovative product solutions are among the key areas of our development activities.

In recent years, KIRCHHOFF Automotive has won almost 40% of orders in Europe and Asia for products that will later be installed in battery-electric or hybrid vehicles.



25%

of passenger cars and light commercial vehicles produced worldwide in 2023 contained at least one component from KIRCHHOFF Automotive.

in Europe

61%

in North America it was

58%

and in Germany

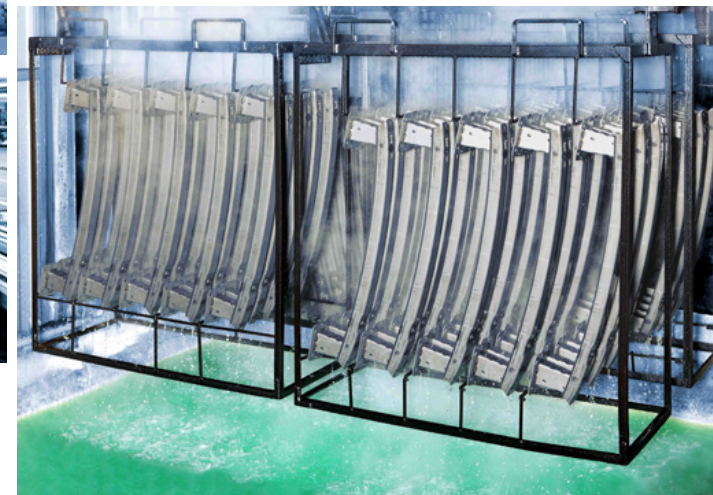
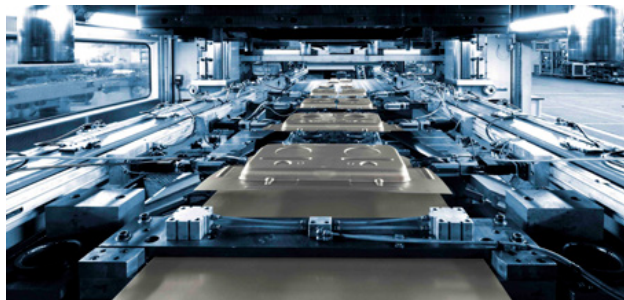
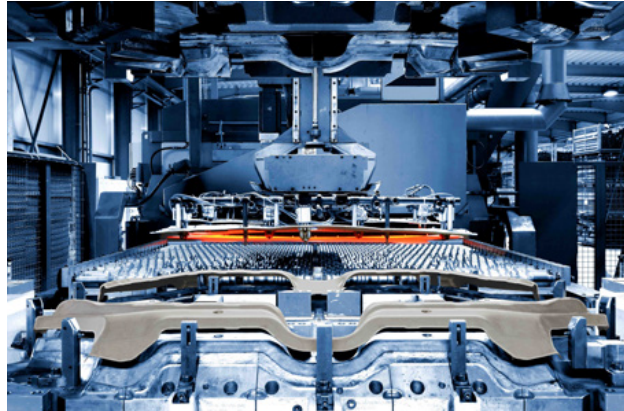
93%

Our core competencies

As a global player, we offer our customers in Europe, Asia and North America comprehensive know-how in the areas of economical lightweight construction and crash performance.

With the advanced technology of partial press hardening, KIRCHHOFF Automotive is able to produce steel products with different strength ranges and, thus, weight- and crash-optimized body components.

Today, many automotive manufacturers have complex structural parts for the body-in-white in hybrid design – combinations of steel-aluminum or metal-plastic – developed by us and manufactured worldwide. A global production network with core competencies in forming, joining, lightweighting and surface treatment ensures uniform manufacturing and production standards.



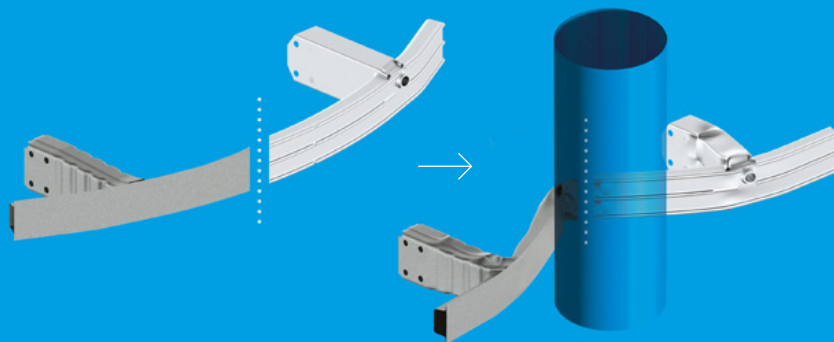


Figure 1: Safety in electric vehicles – crash-management-systems with high deformation capacity

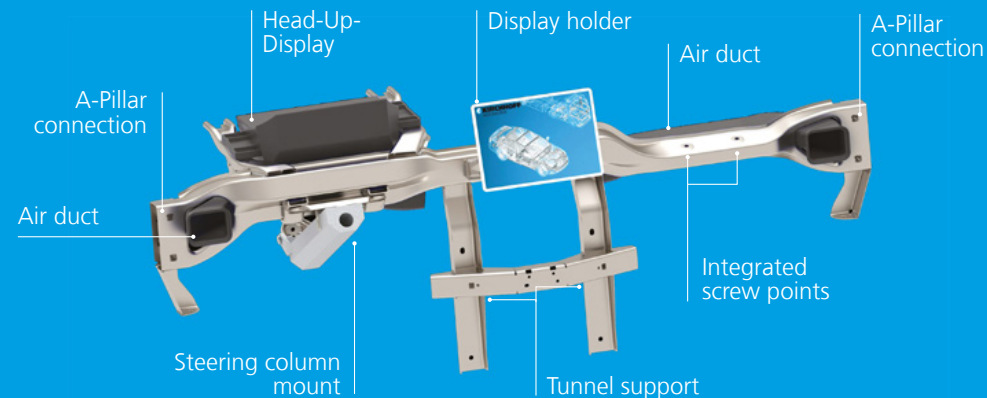


Figure 2: Reduced costs due to function integration – steel instrument panel beam in open shell design

Innovations

Lightweight solution: Aluminum crash-management-system (Figure 1)

Lightweight construction solutions that help to compensate for the high weight of the battery in electric vehicles are becoming increasingly important. In close cooperation with Hammerer Aluminium Industries (HAI), KIRCHHOFF Automotive has developed an aluminum crash-management-system (CMS) that can withstand the strong intrusions caused by a collision and combines high structural integrity with lightweight construction. The deformability of this crash-management-system without significant failure can be seen in a simulated pile crash structure.

Cost-optimised solution: Steel-crash-management system (Figure 1)

With this concept, KIRCHHOFF Automotive can also guarantee a very high level of passive safety in the future and significantly increase protection against corrosion. The steel crash-management-system (CMS) enables continuous energy absorption over long intrusion paths without complete failure. Pre-galvanised steels were used to ensure the required corrosion protection. In addition to a MAG welding process optimised for galvanised materials, a fully laser-welded concept was implemented for the first time.

Functional and safe: Steel instrument panel beam in open shell design (Figure 2)

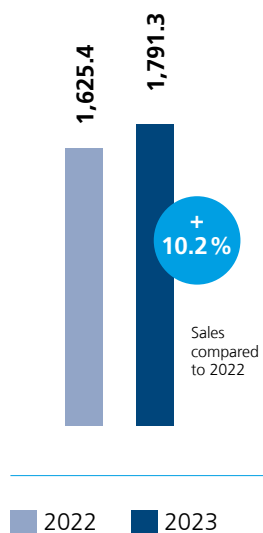
With the newly developed instrument panel beam in open shell design, KIRCHHOFF Automotive is expanding its extensive manufacturing portfolio for this product group and creating new design options. Under the right conditions, the new design can be a means of reducing costs. Characteristics of the innovation include a high level of functional integration via the open half-shell, high flexibility in confined installation spaces and the reduction of weld seams and individual parts.

Economic performance

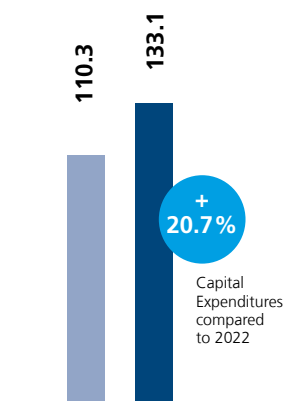
The worldwide recovery from the COVID-19 pandemic and Russia's invasion of Ukraine proceeded slowly and unevenly. The supply chain problems eased over the course of the year, although the shortage of microchips persisted in 2023. European energy markets improved further and the mild winter contributed to a decline in energy prices.

Due to heightened levels of government debt, national support programs were scaled back, which had the effect of reducing consumer spending's. The raising of central bank interest rates made investments more expensive. On the other hand, measures taken to lower inflation yielded the intended effect, leading to an appreciable decrease in inflation rates. In financial year 2023, KIRCHHOFF Automotive was again faced with volatile customer call-off, but was able to increase its sales compared to the previous year by +10.2%. KIRCHHOFF Automotive continued to invest in capacity expansions and increased the competitiveness of the locations worldwide.

Sales
in mln EUR



Capital Expenditures
in mln EUR



WORLDWIDE

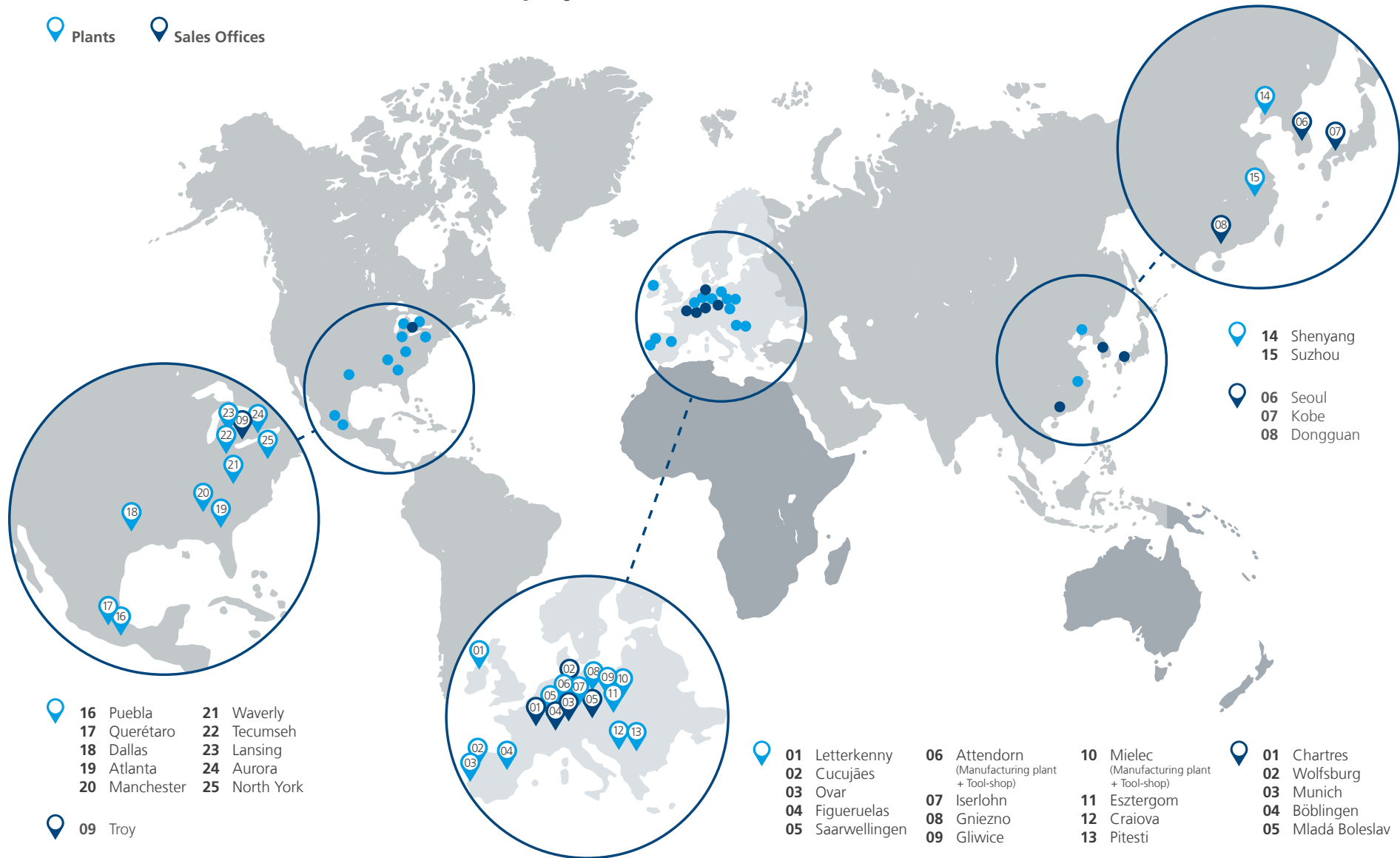
7 700 employees



Plants



Sales Offices



SBM-2 Interests and views of stakeholders

For sustainable business success, KIRCHHOFF Automotive relies on an open and trusting exchange of information with various stakeholders. The following includes our stakeholders and the main channels through which we communicate with them:

| Key stakeholders | Communication channels & methods | Engagement topics |
|--|--|---|
| Shareholders | Global and site management meetings, committees, management reports | Obtaining approval and confirmation of strategic directions taken, taking directions from shareholders in creating the company's policies, adapting data reporting and presentation to shareholders' needs |
| Customers | Key account management (face-to-face meetings, phone calls and video conferences, plant visits), audits, workshops, seminars, congresses, trade fair dates and industry events, K>MOBIL magazine, sustainability report, customer awards, official company social media profile, whistleblowing channel | Building a relationship that can result in further transactions in the future, establishing clear rules and communication channels for contacts, adapting to customers' needs and requirements |
| Employees | One-on-one conversations, shop floor meetings, workshops, family events, trade union dialogue, website, intranet, company app, live streams, information screens in plants, K>NEWS, thematic e-mailings, posters, discussions with managers and HR representatives, employee opinion surveys, workshops and training sessions, official company social media profile, whistleblowing channel | Including voices in strategic and operational processes, adjusting training topics to meet employees' needs, responding to current reported topics/needs, engaging employees in quality and H&S issues, professional growth and advancement opportunities, knowledge and skills exchange, retaining competent and committed personnel within the company, establishing clear rules of cooperation |
| Suppliers and business partners | Conversations, electronic procurement platform, audits, workshops, seminars, "Supplier of the Year" competition, website, K>MOBIL magazine, sustainability report, press releases, official company social media profile, whistleblowing channel | Building relationship with suppliers, business ethics in supply chain, economic value, innovative products and services, adjusting company's operations to established industry standards, knowledge and experience gained to the company's management, establishing clear rules of cooperation |
| Governments and administrations | Conversations, seminars, congresses, dialogue on legislation, website, K>MOBIL magazine, sustainability report, press releases, official company social media profile, whistleblowing channel | Economic impacts, business ethics, collaboration on contributing to public good, transparent cooperation governance |
| Civil society and association | Bilateral and one-to-one conversations, workshops, career fairs, open days, events, sponsorships, press conferences and press releases, website, K>MOBIL magazine, sustainability report, official company social media profile, whistleblowing channel | Environmental protection, new jobs, community engagement, collaboration on contributing to public good |
| Financiers | Conversations, workshops, seminars and congresses, trade fairs, K>MOBIL magazine, annual report, sustainability report, official company social media profile, whistleblowing channel | Economic value, financial results, company financial conditions, ESG performance |
| Media and opinion leaders | Conversations, trade fairs, press conferences and press releases, interviews, website, K>MOBIL magazine, sustainability report, official company social media profile, whistleblowing channel | Enhancing the company's public image, preventing reputation crises, and minimizing or mitigating their impact |
| Nature | Emissions reports (water, air, waste), operation allowances, audits | Meeting expected requirements on emissions, recycling, water conservation |



Business partners (incl. customers)

We help to foster positive change and create more sustainable and socially responsible changes in the automotive industry directly at customers' meetings or through membership in (targeted) initiatives.

Indirect engagement occurs through industry initiatives we are part of, such as RSCI and Drive+.

RSCI

The association's work focuses on reviewing and further developing the sustainability of companies in their supply chains.

[> More about RSCI](#)

Drive+

Since September 2021, we have been a member of Drive+ Platform for sustainable supply chains for Tier 1 suppliers and supplier associations.

[> More about Drive+](#)

Direct engagement involves e.g. face-to-face meetings, consultations, and collaborative projects to address specific needs and expectations. Through these efforts, we aim to build strong, lasting relationships and ensure mutual success.

Value Balancing Alliance

The VBA's goal is to enable corporate decision makers across all industry sectors to consciously take responsible, impact-oriented action. To achieve this goal the VBA is developing and piloting a methodology that translates environmental and social impacts into financial data making impacts on society comparable.

By direct engagement, e.g. development meetings and piloting of the methodology, we test how to assess and monetize impact on society and thereby lay foundation for impact driven business steering.

Suppliers

KIRCHHOFF Automotive relies on our suppliers, and only through our joint efforts can we achieve the goals we set for ourselves. We engage in dialogue with our suppliers, focusing on development of low-carbon and zero-emission steel.

Throughout the year, we regularly conduct supplier evaluations. Those who stand out with their performance receive special recognition in the form of the Supplier of the Year Awards. Among the criteria we consider in the evaluation are collaboration with stakeholders, service, competitiveness, quality, delivery, and launch support.

In addition to excellent supply performance, the most important thing is that together we set the course for sustainability and CO₂ reduction. In doing so, we rely on suppliers full support, transparency, and lots of innovations.

Last year we awarded 13 suppliers in 3 of continents where we operate.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

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

In 2023, we initiated our Double Materiality Assessment, aligned with ESRS, to gain a deeper understanding of the matters most significant to our business, people, and the environment. While this process is still ongoing, we plan to present its results in our next sustainability report.

Even though the process is unfinished, we believe that most of the topics previously identified as material will remain relevant to our organization, as our long-standing risk management practices have provided valuable insights, guiding our selection of these material topics.

KIRCHHOFF Automotive's Risk Management System

The KIRCHHOFF Automotive's Risk Management System is guided by the principles of the ISO 31000 standard; it identifies and evaluates risks that may impact our business operations and operates annually based on the evaluation of risks that may occur in the short, medium, and long term. The Executive Board, which has ultimate responsibility for the risk management process, agrees on risk management strategy, approves risk appetite and tolerances, and continuously monitors risk controls. The Executive Board receives quarterly risk assessment reviews and reports, provided by the global Governance Risk Compliance department, which is globally responsible for developing and adjusting KIRCHHOFF Automotive's risk management process to the company's objectives and legal requirements.

Considering our structure and presence in different countries and continents, KIRCHHOFF Automotive's Risk Management System is two-tiered, covering risks at both the strategic (corporate) and operational (local, production site) levels. General assessment criteria is based on KIRCHHOFF Automotive's risk matrix, including the likelihood of occurrence and the possible impact, that a given risk or opportunity may have on the Company's activities, stakeholders, employees, local communities, and environment.

The fixed catalog of operational risks and opportunities mandatory to be assessed by each plant has been developed taking into account our sector-specific nature, the different geographical plants' locations, and other local constraints. Risk assessment in operating plants is also carried out for specific areas or processes within different management systems (acc. to IATF 16949, ISO 45001, ISO 14001, ISO 50001, and others). The risk catalog includes e.g. natural hazards, catastrophes, facility & equipment, and business continuity risks, which are identified, assessed, managed, and revised by process owners quarterly. The responsibility and accountability for the assessment made at the facilities lie with its local management. Plant management is also responsible for the development of mitigation measures and providing quarterly updates to the KIRCHHOFF Automotive's Executive Board. Thus, we are ensured of being able to accurately manufacture and deliver all of our products and services.



Risk Experts meeting in Esztergom



Tecumseh and Lansing Risk Management Team during workshops

IRO-2 Disclosure Requirements in ESRS covered by the underaking's sustainability statement

Our current list of key topics is available in our GRI Content Index, reflecting the most thorough assessment possible despite not having completed the Double Materiality process.



ENVIRONMENT



WE.GO.GREEN.

MAKING.MOBILITY.SAFE.



CLIMATE CHANGE

At KIRCHHOFF Automotive we recognize the urgent need for climate actions and sustainability focus within the automotive industry. We are committed to acting on climate change and limiting global warming to 1.5 °C. Our near-term emissions reduction targets have been approved by the Science Based Targets initiative. This section outlines the activities designed to establish KIRCHHOFF Automotive's transition plan, including our commitments and targets, along with the steps we have already taken to reduce CO₂ emissions.

E1-1 Transition plan for climate change mitigation

KIRCHHOFF Automotive is currently developing a low-carbon transition plan that aligns with the goal of limiting global warming to 1.5°C and adheres to the EU's climate targets.

In 2023, the actions to reduce greenhouse gas emissions were continued as part of the KIRCHHOFF Automotive business strategy and the KIRCHHOFF Automotive Decarbonization Roadmap which was developed with support and commitment of KIRCHHOFF Automotive owners.

As a part of this project, re-measurement of scope 1 and 2 greenhouse gas emissions and establishment of scope 3 emissions took place. Enhanced data collection and methodology

improvements have enabled the establishment of a more realistic pathway towards CO₂ neutrality.

As a result, KIRCHHOFF Automotive was able to develop CO₂ emission targets that are largely based on company-specific and sector data, industry studies, and expert knowledge. Consequently, KIRCHHOFF Automotive has pledged to the Science Based Targets initiative (SBTi). An official commitment letter confirming our intention to participate in that initiative was submitted in Q1 2023. In July 2024, the final evaluation of CO₂ reduction targets has been completed, and our goals have been approved by the Science Based Targets initiative.

The KIRCHHOFF Automotive Decarbonization Roadmap, along with the Transition Plan, will be integrated into the comprehensive KA Sustainability/ESG Strategy.

Additionally, key elements from the developed transition plan – such as risks and opportunities, targets, and value chain engagement – are submitted for external reporting, including the CDP – Disclosure Insight Action (formerly known as the Carbon Disclosure Project). As a result, KIRCHHOFF Automotive received a B rating in Climate Change for the reporting year.

E1-2 Policies related to climate change mitigation and adaptation

Guided by our Vision & Values, KIRCHHOFF Automotive ensures efficient, consistent, and visible environmental leadership throughout our organization. Therefore, KIRCHHOFF Automotive expressed its commitment to protecting the environment in our Code of Conduct and the Environmental & Energy Management Policy. The latest version of the policy was published on K>NET (Intranet) on 01.04.2024.

Our Environmental & Energy Management Policy applies to all KIRCHHOFF Automotive employees, who are informed about its principles and regularly provided with adequate training and instructions. The type and frequency of training are determined by the Global Environmental and Energy Management Manager who is the owner of this policy. The Global E&EM Manager has overall responsibility for the policy, while the regional managing directors are responsible for implementing it within their countries as heads of their respective legal entities. The policy is reviewed annually by the global leadership team and the manager directly.

In this policy, KIRCHHOFF Automotive commits to conducting environmentally sustainable business activities. These activities are based on preventing pollution, protecting and conserving ecosystems and natural resources, and controlling and minimizing potential adverse environmental impacts of our operation. The purpose of this policy is to define our common principles to effectively manage and promote environmental sustainability and a circular economy awareness in line with our values.



KIRCHHOFF Automotive is also committed to continually improving its products and services' environmental performance to reduce the environmental footprint of business activities.

In its policy, KIRCHHOFF Automotive declares maintaining various programs to manage environmental topics including, but not limited to:

- GHG emissions
- Energy efficiency
- Renewable energy
- Decarbonization
- Water quality, consumption & management
- Animal welfare
- Noise emissions
- Air quality
- Responsible chemical management
- Sustainable resources management
- Waste reduction
- Reuse and recycling
- Soil quality
- Biodiversity, land use and deforestation

Climate change mitigation and adaptation are integral parts of our strategic approach, hence, we are committed to reducing our environmental impact and ensuring resilience against climate-related challenges.

Climate change mitigation

Mitigation activities at KIRCHHOFF Automotive are focused on reducing our greenhouse gas (GHG) emissions aiming to contribute to global climate goals. These align with both our operational goals and the broader environmental objectives of alleviating global warming.

Our Environmental & Energy Management Policy is focused on addressing climate change mitigation by including our commitment to reducing scopes 1, 2, and 3 emissions in line with global net zero emissions targets by 2050. By covering all emissions scopes, the policy applies to emissions from KIRCHHOFF Automotive's own operations, as well as our upstream and downstream value chain.

Climate change adaptation

The topic of climate change adaptation has already been addressed in the KIRCHHOFF Automotive's Risk Management System for years, not only being analyzed by all operational sites, but also considered as one of our corporate risks. However, this specific aspect of climate change is not currently covered in our Environmental & Energy Management Policy. Hence, it will be incorporated into the policy with its next revision.

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

In response to global expectations and constantly increasing demand from our customers for reduced environmental impact across the entire automotive value chain, KIRCHHOFF Automotive is devoted to leading the way in sustainable practices. Reducing CO₂ emissions is not only a necessity for our company to become the supplier of choice but also a fundamental aspect of our response to the industry's "Green Pledge/Ambition" agreements. This commitment shapes our short-, medium-, and long-term strategies for transitioning to a low-carbon business activity. To meet these expectations, KIRCHHOFF Automotive places a strong emphasis on minimizing CO₂ emissions both within our own operations and throughout our supply chains. Our approach aligns with current standards such as ISO 14001 for Environmental Management and ISO 50001 for Energy Management. Additionally, we are preparing to comply with stringent emerging regulations, including the European Sustainability Reporting Standards (ESRS), which will apply to our company starting in 2026.

Key actions for climate change mitigation

KIRCHHOFF Automotive is introducing new global Key Performance Indicators (KPIs) for GHG emissions reporting. These KPIs will enhance our ability to measure, track, and manage our carbon footprint more effectively, ensuring transparency and accountability in our sustainability efforts. We are still working on the deployment of the ISO 50001 Energy Management System across all our operations. While the original target was 2024, we now aim to achieve full implementation by 2025. This system will standardize our approach to energy efficiency and emission reduction, enabling us to optimize energy use and reduce CO₂ emissions comprehensively. An integral part of our strategy is the implementation of standardized energy monitoring systems across all KIRCHHOFF Automotive plants. These

systems will provide real-time data on energy consumption, helping us to identify opportunities for efficiency improvements and support our goals for emission reduction.

Impactful actions in 2023

Throughout 2023, KIRCHHOFF Automotive has enforced a series of measures designed to reduce CO₂ emissions across our operations and the upstream value chain. These initiatives targeted scope 1, 2, and 3 emissions and required collaborative efforts from all operational sites within the KIRCHHOFF Automotive group as well as our supply chain partners.

Scope 1 and 2 emissions reduction: Our efforts focused on optimizing fuel use in our facilities and implementing energy-saving technologies to lower direct emissions from our operations. Additionally, we intensified efforts on reducing indirect emissions from purchased electricity by increasing our procurement of renewable energy and improving energy efficiency within our facilities.

Scope 3 emissions reduction: KIRCHHOFF Automotive's key initiatives in the reporting year considered among others:

- The company began incorporating scope 3 emissions into its CCF calculations, using 2022 as the baseline year, with scope 3 emissions calculated at 1.7 million metric tons (Mt)
- Recognizing that around 75% of its carbon footprint is tied to raw materials, KIRCHHOFF Automotive developed a Green Steel Roadmap to address emissions related to purchased goods and services (category 1 of scope 3)
- KIRCHHOFF Automotive has engaged its supply chain partners in its sustainability efforts, ensuring their alignment with the company's environmental expectations. This includes releasing the Code of Conduct for Suppliers and enhancing procurement evaluations by introducing the KASAR (KIRCHHOFF Automotive Sustainability Audit Report) audit

Progress in renewable energy and emission reductions

Scope 1 and 2 emissions: Our comprehensive approach to emission reduction, which includes energy efficiency measures and a transition to renewable energy sources, led to a 6% reduction in combined scope 1 and scope 2 emissions compared to the previous reporting year. Specifically, our scope 1 emissions decreased by 3%, reflecting our ongoing efforts to minimize direct emissions from our operations through the adoption of cleaner technologies and improved operational practices.

We also achieved an 8% reduction in scope 2 emissions compared to the previous year – demonstrating the effectiveness of our green energy initiatives in lowering indirect emissions from electricity consumption. During the reporting year we boosted the share of green electricity to 67% globally. This milestone is a substantial step towards our 2030 target.

Economic growth with sustainable energy use: Despite a 10% increase in net revenue during the reporting year, our total energy consumption only rose by 2%. This demonstrates our commitment to decoupling business growth from energy consumption and emissions. The modest increase in energy use relative to revenue growth highlights our efforts to enhance energy efficiency and reduce our environmental impact while expanding our business.

Main success factors in climate change mitigation

In KIRCHHOFF Automotive's commitment to reducing its carbon footprint, the dependency on resource availability is a significant factor. This includes assumptions about the availability of green certificates and the implementation of renewable energy projects like solar PV. Effective management of both Capital Expenditures (CapEx) and Operational Expenditures (OpEx) to the success of our decarbonization.

As part of our Green Electricity Roadmap, we rely on the availability of green certificates to ensure our energy consumption is increasingly sourced from renewable origins. We anticipate the availability of these certificates through 2030. However, long-term price variability and regional availability risks must be managed.

In our pursuit of on-site renewable energy generation, such as solar PV systems, we recognize the importance of leveraging local and regional funding opportunities to support these projects. This approach helps to manage the financial burden and accelerates the deployment of solar installations.

Transitioning from natural gas to renewable energy sources, and the implementation of advanced technologies like Energy Monitoring Systems requires careful financial planning and management. The following aspects are pivotal:

- Capital Expenditure (CapEx): We have allocated approximately €1.5 million for the rollout of our Energy Monitoring System. This investment is crucial for enhancing our ability to track and manage energy consumption, thereby supporting our broader decarbonization goals
- Operational Expenditure (OpEx): Ongoing costs associated with maintaining and operating renewable energy systems and energy monitoring infrastructure must be managed. This includes the costs of purchasing green certificates and maintaining solar PV systems

Through diligent management of CapEx and OpEx, we aim to sustain our transition to a low-carbon future without compromising financial stability. Our approach includes evaluating the lifecycle costs of significant energy investments and optimizing operations to maximize efficiency and cost-effectiveness.

Key climate change adaptation actions

KIRCHHOFF Automotive's approach to climate change adaptation is comprehensive, as it encompasses risk assessment, infrastructure resilience, supply chain management, financial and human resource allocation, and transparent reporting.

In response to the increasing challenges posed by climate change, and to adapt to them our company has implemented a comprehensive list of physical risks into the KA Risk Management System. We have conducted climate risk assessments to understand potential threats, such as extreme weather events and supply chain disruptions. A standardized risk catalog is a cornerstone of this system. It outlines a broad range of potential risks that each facility must evaluate. These risks include, but are not limited to, floods, hurricanes, and extreme weather conditions, as well as other climate change-related impacts. Each facility conducts a thorough assessment of its preparedness for these risks, evaluating their potential impact and the current measures in place to mitigate them. Based on the assessment results, if needed, facilities undertake additional actions. This may involve formulating and implementing new action plans, improving existing infrastructure, or adopting new technologies and processes to better withstand climate-related challenges.

Recognizing that each facility operates under unique conditions and faces specific local challenges, the risk catalog is designed to be flexible. Facilities have the autonomy to adapt the catalog to their specific needs and circumstances. This customization ensures that the risk management strategies are both relevant



and effective, taking into account factors such as geographical location, local climate patterns, and facility-specific vulnerabilities. This proactive approach enhances our overall resilience to climate change.

To ensure resilience, we continue to enhance the robustness of our facilities, making them more resistant to negative climate impacts. Over the past few years, KIRCHHOFF Automotive has been developing contingency plans for all our business units to reduce the impacts of natural hazards and catastrophes.

Furthermore, we allocated additional human resources to environmental and sustainability posts to enhance the management of driving sustainability initiatives. Aside from this, the number of employee trainings and engagements has been increased, as we want to involve and educate our employees about sustainability practices and raise their awareness of these matters.

E1-4 Targets related to climate change mitigation and adaptation

Decarbonization and scope 1&2 emissions

KIRCHHOFF Automotive is committed to reducing its carbon footprint and transitioning to a more sustainable operational model. Our official targets validated by SBTi are as follows: "KIRCHHOFF Automotive GmbH commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from 2022 base year. KIRCHHOFF Automotive GmbH also commits to increase active annual sourcing of renewable electricity from 46% in 2022 to 100% by 2030. KIRCHHOFF Automotive GmbH further commits to reduce absolute scope 3 GHG emissions 25% by 2030 from a 2022 base year."¹

In 2023 main focus and achievements were noted in the following areas:

- KIRCHHOFF Automotive significantly increased its procurement of green electricity, achieving a 67% share of renewable power across its operations. This progress is pivotal in reaching the 2030 goal
- The switch to green power contributed to an 8% reduction in scope 2 emissions compared to the previous year. This reduction highlights the effectiveness of the Green Electricity Roadmap and collaborative efforts with the procurement department and external purchasing management
- Direct emissions (scope 1) were reduced by 3% compared to the previous year, due to lower natural gas consumption, particularly in KANA locations. Although electrical energy consumption increased by 7%, this did not result in higher emissions because of the greater proportion of green electricity used in the process

- KIRCHHOFF Automotive also placed a strong emphasis on addressing emissions across its supply chain. KIRCHHOFF Automotive has actively engaged with our supply chain partners to encourage and support their adoption of low-carbon practices. This included initiatives such as the endorsement of the updated
- KA Code of Conduct for Suppliers and the development of a supplier performance scorecard which is integrating climate considerations into our procurement processes. This is the first step to work on the reduction of emissions in our supply chain

Details on our current performance and a comparison to the previous year's results, illustrating a two-year trend are visible in disclosures E1-5 and E1-6.

Methodologies and assumptions

KIRCHHOFF Automotive's approach to measuring and managing emissions is rooted in robust and transparent methodologies:

- GHG Protocol Compliance: The company's CCF model, developed in 2022, adheres to the GHG Protocol using a hybrid calculation approach. In 2023, scope 1 emission factors were updated based on the UK Government's DEFRA 2023 Fuels conversion factors
- Science-Based Targets: The company's near-term targets were defined considering science-based target evaluation tools and scenarios aligned with limiting global temperature rise to 1.5°C or well below 2°C. The target-setting process also included peer benchmark studies and assessments of reduction initiatives

Governance and performance monitoring

The governance of KIRCHHOFF Automotive's sustainability efforts is overseen by the Executive Board, which ensures the company meets its environmental commitments:

- The Executive Board approved the near-term targets and is responsible for the overall environmental sustainability management of the company
- The progress towards achieving the sustainability targets is regularly monitored and reviewed, ensuring continuous improvement and alignment with evolving legislative requirements and industry standards

¹ When committing to SBTi, KIRCHHOFF Automotive was still KIRCHHOFF Automotive GmbH. The change to KIRCHHOFF Automotive AG, Iserlohn was entered in the commercial register on November 6, 2023.

E1-5 Energy consumption and mix

KIRCHHOFF Automotive's energy consumption is primarily due to the operation of its production sites and manufacturing processes. Additionally, all our business activities are within high climate impact sectors.

In 2023, our energy consumption was 291,406 MWh, which is 2% higher than in 2022. The overall distribution of energy consumption has slightly changed since 2022: 56% is now electricity, 39% is natural gas (primarily used for manufacturing processes and heating), and 5% is other fuels (the company's own vehicle fleet and internal logistics)

There is a clear trend towards reduced fossil and nuclear energy consumption and a significant increase in renewable energy usage. The share of renewables in the total energy mix has grown substantially, reflecting a shift towards more sustainable energy sources, especially when it comes to purchased electricity. In the reporting year 37% of our energy was derived exclusively from renewable sources, and only 7% is sourced from nuclear plants.

Energy efficiency in high climate impact sectors has also improved as indicated by the reduced energy consumption per unit of net revenue and in 2023 it is 163 MWh/mln€. We managed to keep a very similar level of energy consumption, whereas our turnover increased by 10.2%.

Table 1. Energy consumption and mix (in MWh).

| | 2022 | 2023 |
|---|-------------------------|---------|
| Total energy consumption | 285,261 ⁽²⁾ | 291,406 |
| Total fossil energy consumption | 174,363 ⁽¹⁾ | 162,469 |
| Fuel consumption from coal and coal products | 0 ⁽¹⁾ | 0 |
| Fuel consumption from crude oil and petroleum products | 4,315 ⁽²⁾ | 4,914 |
| Fuel consumption from natural gas | 119,669 ⁽²⁾ | 113,308 |
| Fuel consumption from other fossil sources | 8,667 ⁽²⁾ | 9,608 |
| Consumption of purchased or acquired electricity, heat, steam and cooling from fossil source | 41,711 ^(1,3) | 34,639 |
| Share of fossil sources in total energy consumption | 61% ⁽¹⁾ | 56% |
| Consumption from nuclear sources | 25,293 ⁽¹⁾ | 20,302 |
| Share of consumption from nuclear sources in total energy consumption | 9% ⁽¹⁾ | 7% |
| Total renewable energy consumption | 85,604 ⁽¹⁾ | 108,635 |
| Fuel consumption from renewable sources | 0 ⁽¹⁾ | 0 |
| Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources | 85,604 ⁽¹⁾ | 108,635 |
| Consumption of self-generated non-fuel renewable energy | 0 ⁽¹⁾ | 0 |
| Share of renewable sources in total energy consumption | 30% ⁽¹⁾ | 37% |
| Non-renewable energy production | Not reported | 4,200 |
| Renewable energy production | 0 ⁽¹⁾ | 0 |
| Total energy consumption from activities in high climate impact sectors | 285,261 ⁽¹⁾ | 291,406 |
| Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/mln€) | 176 ⁽²⁾ | 163 |

(1) Not included in the Sustainability Report 2022, calculated retrospectively in 2023.

(2) Initially reported in the Sustainability Report 2022, but values were adjusted following a recalculation in 2023.

(3) Includes electricity consumption from "Other non-renewable sources".

E1-6 Gross scopes 1, 2, 3 and Total GHG emissions

In the reporting period, we have intensified our work on more precise calculations of our Corporate Carbon Footprint (CCF). As a first step, we updated our base year from 2019 to 2022 to enhance the accuracy of our environmental data. Furthermore, we expanded our efforts and for the first time precisely calculated scope 3 for all relevant categories which are presented in table 2.

Since last year, KIRCHHOFF Automotive's overall emissions slightly increased by 6%. However, scope 1 emissions have slightly decreased, indicating a reduction in direct emissions from owned or controlled sources. Worth highlighting is also scope 2 market-based emissions reduction. This reflects our constant effort to source renewable electricity.

The largest contributor to the change in total GHG emissions is scope 3 emissions, now reported more precisely, and representing 97% of the total GHG emissions. The top three categories from scope 3 are related to upstream emissions and our supply chain. This data highlights the importance of scope 3 emissions in the overall GHG footprint and suggests areas where emission reduction activities could be focused, especially in supply chain management.

Table 2. GHG emissions (in tCO₂e).

| | 2022 (N-1) | 2023 (N) | % N/N-1 |
|---|--------------------------|-----------|---------|
| Scope 1 GHG emissions | | | |
| Gross scope 1 greenhouse gas emissions | 24,725 ⁽²⁾ | 23,919 | 97% |
| Percentage of scope 1 GHG emissions from regulated emission trading schemes | N/A | N/A | N/A |
| Scope 2 GHG emissions | | | |
| Gross location-based scope 2 greenhouse gas emissions | 53,689 ⁽²⁾ | 63,827 | 119% |
| Gross market-based scope 2 greenhouse gas emissions | 28,199 ⁽²⁾ | 25,828 | 92% |
| Significant scope 3 GHG emissions | | | |
| Total Gross indirect (scope 3) GHG emissions | 1,705,074 ⁽¹⁾ | 1,819,459 | 107% |
| Percentage of Gross scope 3 greenhouse gas emissions | 97% ⁽¹⁾ | 97% | – |
| Purchased goods and services | 1,429,403 ⁽¹⁾ | 1,586,499 | 111% |
| Capital goods | 78,800 ⁽¹⁾ | 69,375 | 88% |
| Fuel and energy-related activities | 11,758 ⁽¹⁾ | 11,898 | 101% |
| Upstream transportation and distribution | 80,044 ⁽¹⁾ | 59,090 | 74% |
| Waste generated in operations | 1,948 ⁽¹⁾ | 1,669 | 86% |
| Business travel | 1,082 ⁽¹⁾ | 1,998 | 188% |
| Employee commuting | 12,750 ⁽¹⁾ | 12,750 | 100% |
| Downstream transportation | 49,493 ⁽¹⁾ | 38,778 | 78% |
| Processing of sold products | 21,360 ⁽¹⁾ | 17,459 | 82% |
| End-of-life treatment of sold products | 18,436 ⁽¹⁾ | 19,943 | 108% |
| Total GHG emissions | | | |
| Total GHG emissions (location-based) | 1,783,487 ⁽²⁾ | 1,907,205 | – |
| Total GHG emissions (market-based) | 1,757,977 ⁽²⁾ | 1,869,206 | 106% |

(1) Not included in the Sustainability Report 2022, calculated retrospectively in 2023.

(2) Initially reported in the Sustainability Report 2022, but values were adjusted following a recalculation in 2023.

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

KIRCHHOFF Automotive does not have any GHG removals or GHG mitigation projects financed through carbon credits.

E1-8 Internal carbon pricing

Over the course of 2023, KIRCHHOFF Automotive did not determine the internal carbon price of greenhouse gas emissions that would be used in processes of managing impacts related to climate change.

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

As part of preparing the business case for decarbonization of KIRCHHOFF Automotive, we have examined various physical and transition risks. However, a formal evaluation of the materiality of these risks and their effects is still pending. Currently, we have not calculated any significant potential financial impacts from these physical and transition risks. We plan to address this in greater detail in upcoming sustainability reports. Therefore, KIRCHHOFF Automotive has opted to exercise phase-in allowance to omit the financial effects from material physical and transition risks and potential climate-related opportunities required in E1-9.



POLLUTION

E2-1 Policies related to pollution

KIRCHHOFF Automotive does not have a separate policy that deals with the matter of pollution. The regulations in this regard result from the adopted KA Environmental & Energy Management Policy.

Locally, all plants must take necessary measures to minimize emissions into soil, water, and air, while having the lowest possible environmental impact on neighboring communities and biodiversity.

In conformity with all applicable environmental legislation, regulations, and standards, all KIRCHHOFF Automotive's facilities must comply with the requirements of the International Conventions of Minamata (on Mercury), Stockholm (on Persistent Organic Pollutants) and Basel (on Hazardous Waste and their disposal).

Further information on the scope and implementation of KA Environmental and Energy Management Policy is described in E1-2.

E2-2 Actions and resources related to pollution

At KIRCHHOFF Automotive, we recognize the impact that production processes can have on the environment, particularly concerning exhaust gases, unpleasant odors, and noise. These factors can contribute to poor air quality and create unfavorable conditions for residents living near our production facilities. To address these issues, we are committed to implementing a range of measures aimed at reducing environmental pollution throughout 2024 and beyond.

Emission monitoring and compliance

We are dedicated to reinforcing the measurement and monitoring of emissions in our locations. This ensures compliance with local legislation and guarantees that emission limits are not exceeded.

Sustainable materials and waste management

Our products are primarily made from recyclable steel and aluminum, adhering to customer requirements and reporting standards in the IMDS database. Additionally, we utilize other materials such as lubricating and hydraulic oils, and chemical products necessary for maintenance and production processes.

Environmental management systems

In 2023, all our factories implemented and received certification for an Environmental Management System in accordance with ISO 14001. This system includes detailed procedures for handling emergencies such as fires, chemical spills, and soil and water contamination. Responsibilities are allocated, and all employees receive training and participate in annual simulations to ensure they are prepared for any environmental emergency.

Future measures

Further measures to combat environmental pollution will be addressed throughout 2024. Our future actions will focus on enhancing our reporting mechanisms to provide more comprehensive, and transparent information on pollution and its impacts.

E2-3 Targets related to pollution

The plant specific approach to the topics related to pollution allows us to manage the specific environmental challenges faced by each manufacturing location and set targets adapted to the individual characteristics of each site.

E2-4 Pollution of air, water and soil

Given the diverse legal requirements and the distinct processes at each of our facilities, these issues are managed locally. This decentralized approach ensures compliance with regional regulations and addresses the specific environmental impacts relevant to each site.

As a result, KPIs and measures for pollution management are not imposed uniformly across all locations. Instead, they are tailored to fit the unique conditions and regulatory demands of each facility.

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

We strictly adhere to a policy that avoids the use of harmful substances. All products are evaluated and validated by our local Health, Safety and Environment Team to prevent the use of substances of very high concern. Currently, the usage of such substances within our company is considered insignificant.

E2-6 Anticipated financial effects from material pollution-related risks and opportunities

KIRCHHOFF Automotive has utilized the phase-in allowance to exclude the anticipated financial effects from material pollution-related risks and opportunities, as required by E2-6.

WATER AND MARINE RESOURCES

E3-1 Policies related to water and marine resources

KIRCHHOFF Automotive recognizes the vital role of water as a precious and limited global resource. Hence, we are and we want to stay committed to responsible water management with the aim of ensuring the availability, quality, and ecological balance of water in the areas where we have our operational facilities. In accordance with our core values, KIRCHHOFF Automotive undertakes to be a liable steward of water resources.

Our company currently holds no separate policy that applies to the matter of water, but regulations in this regard result from the adopted KA Environmental & Energy Management Policy, accompanied by KIRCHHOFF Automotive Water Stewardship Statement. These documents declare that our company reduces the demand for water, saves it, and reuses it.

In terms of water management, KIRCHHOFF Automotive's objectives are aligned with local, regional, national, and international legislation, including adherence to ISO 14001 Environmental Management standard.

Although all KIRCHHOFF Automotive facilities have access to water supplies and 11 out of the 25 facilities have been in potential risk areas (baseline water stress identified from WRI aqueduct study on all 25 locations) regarding water availability, quality, and higher water costs, the risk assessment showed that no water-related risks are considered as influential on both our operations and the parts we manufacture for our customers.

Nevertheless, the current strategy has been to implement actions to reduce the use of water resources effectively and efficiently and to ensure controls to treat and dispose of wastewater.

During 2024, we shall continue to work on improving the monitoring of our strategy and KPIs related to the different aspects of water use management.

Further information on the scope and implementation of KA Environmental and Energy Management Policy is described in E1-2.

E3-2 Actions and resources related to water and marine resources

Even though automotive metal components do not contain water on their own, as striving to be a responsible company, KIRCHHOFF Automotive takes into consideration different measures to design the production process in a way, that is going to minimize water usage and ensure controls regarding treating and disposal of wastewater.

Therefore, our water management activities concentrate on, among others:

- Emphasizing recycling
- Reusing water
- Reducing freshwater usage
- Controlling wastewater discharges
- Promoting closed-loop water processes



Therefore, all KIRCHHOFF Automotive's plants have a deployed and certified Environmental Management System (ISO 14001) with defined KPIs for monitoring not only the volume of water used but also wastewater treatment on facility level. Furthermore, our plants measure water quality in accordance with municipal/provincial/state regulations (e.g. pH, metals, BOD, etc.).

E3-3 Targets related to water and marine resources

Water resource management goals are implemented at the local level, ensuring compliance with regional water regulations while allowing flexibility to address the varying water needs, taking into account the characteristics of each facility and the different processes at various locations. Our primary objective is to optimize water use at each facility, minimizing water loss and promoting efficient reuse.

E3-4 Water consumption

Overall, the data points towards an overall reduction in water consumption, withdrawals, and discharges, alongside an improvement in the water intensity ratio.

The increase in water consumption in areas of high risk and water stress is due to the greater number of plants located in these areas in 2023. A decrease in the water intensity shows an improvement in water use efficiency.

However, recycling, reuse, or storage presents opportunities for enhancing sustainable water management practices in the future.

E3-5 Anticipated financial effects from material water and marine resources-related risks and opportunities

KIRCHHOFF Automotive has utilized the phase-in allowance to exclude the anticipated financial effects from material water and marine resources-related risks and opportunities, as required by E3-5.



Table 3. Water consumption (in m³).

| | 2022 | 2023 |
|---|--------------------------|---------|
| Water consumption | 29,333 ⁽²⁾⁽³⁾ | 27,862 |
| Water consumption in areas at material water risk | 2,550 ⁽¹⁾ | 9,908 |
| Water consumption in areas of high-water stress | 2,550 ⁽¹⁾ | 9,908 |
| Water intensity ratio | 18 ⁽²⁾ | 16 |
| Water withdrawals | 275,086 ⁽¹⁾ | 265,074 |
| Water discharges | 245,753 ⁽¹⁾ | 237,212 |

(1) Not included in the Sustainability Report 2022, calculated retrospectively in 2023.

(2) Initially reported in the Sustainability Report 2022, but values were adjusted following a recalculation in 2023.

(3) Water consumption was estimated by using assumptions from one plant and extending them to others with similar water-consuming processes. For facilities without surface treatment processes, we assume that there is no water consumption, with all required water being discharged.

RESOURCE USE AND CIRCULAR ECONOMY

ES-1 Policies related to resource use and circular economy

KIRCHHOFF Automotive has not implemented a separate policy on resource use and the circular economy, however our company has identified and assessed actual and potential impacts on resource use in the value chain. Our approach to responsible use of materials and waste management is expressed in our Environmental and Energy Management Policy described in E1-2.

KIRCHHOFF Automotive's fundamental principle is to make certain that the company fulfills its commitment to protecting the environment through the efficient and sustainable use of resources and raw materials in our operations.

We are dedicated to using raw materials and minerals in our products only if their extraction, production, trade, transport, processing, and export have not led to violations of human rights, health and safety concerns, environmental damage, or incidents of non-compliance. This commitment is articulated in our Sustainable Procurement and Supply Chain Policy, with further details available in S2-1 disclosure.

The need for circularity, sustainable and renewable natural resources, waste reduction, and increased reuse and recycling is one of our expectations for suppliers, as outlined in our Code of Conduct for Suppliers. Additional information on this document is provided in S2-1 disclosure.



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

The nature of our operations and products implies rules of circular economy. KIRCHHOFF Automotive's products are mainly made of recyclable steel and aluminum. Especially when it comes to steel, the automotive industry is already approaching a closed-loop economy; worldwide, 90% of the steel used in the industry is recovered. The more frequently steel is recycled, the better its eco-balance. Another advantage to using steel is that it is one of the few materials that does not lose any of its properties during recycling. Melted down and reprocessed steel is of the same high quality as virgin steel.

Recognizing the significant impact that material management has on our operations and sustainability goals, we are proactively working to gain greater control over the steel lifecycle in our processes. This is being achieved through various initiatives, particularly our collaborations with steel mills.

The Research and Development team and the Hotforming Competence Team at KIRCHHOFF Automotive regularly research and investigate new materials at an early stage, before they are available for series production. The focus here is on the continuous further development and CO₂-neutral production of safety-relevant metal structures. As part of the long-standing, continuous cooperation with ArcelorMittal, the KIRCHHOFF Automotive development centers in 2023 tested and positively evaluated several steel grades.

At KIRCHHOFF Automotive, we prioritize efficient resource use and the principles of the circular economy within our operations. One notable initiative involves our collaboration with ArcelorMittal to test and implement Usibor®1500 with XCarb®

recycled and renewably produced substrate. This material is environmentally friendly, produced from at least 75% recycled steel and using 100% renewable electricity in the steel-making process. Our comparative tests with the series material Usibor®1500 confirmed that the properties of this sustainable alternative met our high standards.

Following successful tests, we made the decision to adopt XCarb® for series production. This decision was solidified through a Memorandum of Understanding with ArcelorMittal, marking the start of a joint journey towards carbon neutrality by developing low-carbon steel solutions for cars.

The design, use of materials, to the manufacturing process of our parts enhance the longevity, ecological footprint but also safety features of vehicles. KIRCHHOFF Automotive focuses on the efficient use of materials and the avoidance of process waste. The use of materials is based on established technical standards. We monitor it continuously and take corrective action in the event of deviations. Additionally, we implement lean manufacturing techniques during production to further reduce material waste.

Waste segregation

As part of our ISO 14001 Management System, all our facilities have implemented clear goals for waste generated at manufacturing sites. We segregate all waste by fractions according to labels that include information on waste types and their codes. We strive to regularly conduct training on waste and its segregation to increase employee awareness. Additionally, we aim to create a culture of innovation where employees are encouraged to suggest and implement improvements in waste management.



Employee engagement at our company exceeded the walls of our company. In Gniezno on September 14, 2023, as part of the 'Clean Up the World' campaign, 18 of our dedicated employees collectively walked 60,000 steps and collected 262 kg of litter.

E5-3 Targets related to resource use and circular economy

Resource use and circular economy targets are managed locally. This decentralized approach ensures compliance with regional regulations and provides the necessary flexibility to address the different types of waste generated at various locations due to diverse processes. As a broad objective, we aim to segregate waste at our plants and limit mixed waste disposal, thereby gaining more control over the further reuse of waste.

E5-4 Resource inflows

This year, our production has increased, which is reflected in the data on material usage. The reported indicators exclusively include our primary raw materials: steel, aluminum, and bought-in parts. Indirect materials or associated process materials, and packaging are not included.

As a result of higher production and increased material usage, the amount of process waste has also risen quantitatively. However, we have managed to maintain a favorable trend in our scrap rate, demonstrating our efforts to optimize material utilization effectively.

E5-5 Resource outflows

As mentioned in relation to target topic E5-3, waste management is primarily handled at the plant level, including the collection and reporting of numerical data. Initially, the plants reported waste in various categories, but these have now been standardized to meet the requirements of the ESRS standards. Moving forward, we will continue to enhance and standardize our practices across the entire group. In 2023, nearly half of our waste was recyclable.

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

KIRCHHOFF Automotive has utilized the phase-in allowance to exclude the anticipated financial effects from material resource use and circular economy-related risks and opportunities, as required by E5-6.

Table 4. Resource inflows (in tonnes).

| | Europe | | Asia | | North America | | Total | |
|---|------------------------|---------|----------------------|--------|------------------------|---------|------------------------|---------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| The overall total weight of products and technical materials used | 295,000 ⁽²⁾ | 353,237 | 7,100 ⁽²⁾ | 11,974 | 175,000 ⁽²⁾ | 225,926 | 477,100 ⁽²⁾ | 591,137 |
| The overall total weight of waste from materials used | 98,000 ⁽¹⁾ | 109,888 | 3,280 ⁽¹⁾ | 5,167 | 65,000 ⁽¹⁾ | 76,888 | 166,280 ⁽¹⁾ | 191,943 |

(1) Only scrap steel included.

(2) In 2022 for overall total weight of products and technical materials used, weight of BIP (bought-in-parts) were not included.

Table 5. Resource outflows (in tonnes).

| | 2022 | 2023 |
|--|--------------------|--------------------|
| Waste generated | Data not available | 5,790 |
| Hazardous waste diverted from disposal | Data not available | Data not available |
| Non-hazardous waste diverted from disposal | Data not available | 2,798 |
| Hazardous waste directed to disposal | Data not available | 1,756 |
| Non-hazardous waste directed to disposal | Data not available | 1,236 |
| Non-recycled waste | Data not available | 2,992 |
| Percentage of non-recycled waste | Data not available | 52% |



SOCIAL



MAKING.MOBILITY.SAFE.

OWN WORKFORCE

S1-1 Policies related to own workforce

Respect for internationally recognized human rights, along with a commitment to fair, safe working conditions and environmental standards, is integral to our corporate culture. These fundamental values are anchored in the KIRCHHOFF Automotive Vision & Values and our Code of Conduct.

In 2019, the Executive Board of KIRCHHOFF Automotive established the Code of Conduct and all employees have been obliged to follow its commitments and principles. Our Code of Conduct promotes a culture of respect for human rights, addressing key issues such as non-discrimination, the prohibition of child and forced labor, fair working conditions, health and safety, and freedom of association. KIRCHHOFF Automotive provides all employees and applicants equal employment opportunities. No one shall be disadvantaged, excluded, benefited or preferred because of their characteristics such as age, gender, gender identity, sexual orientation, race, ethnicity or national origin, social origin, marital status, health status, disability, pregnancy, religion or beliefs, political affiliation, political opinion, union association, covered veteran status, and/or genetics.

Further details about our principles of human rights can be found in the following policies:

- KIRCHHOFF Automotive Vision & Values
- KIRCHHOFF Automotive Code of Conduct
- KIRCHHOFF Automotive Human Rights Policy (implemented early in 2024)

At KIRCHHOFF Automotive, we have defined clear responsibilities and established robust corporate governance, compliance, and risk management systems for the protection of human rights. We strive to ensure our management system is compliant with globally applicable human rights and reference frameworks.

Human rights, fair and safe working conditions, and care for the environment within our company and in our supply chain are systematically addressed in the KIRCHHOFF Automotive's Risk Management System. While developing it, the interests of affected stakeholders are taken into consideration.

The subject risk analysis is designed to identify and avoid any human rights and environmental-related risks and possible negative impacts on our own business as well as our supply chain's activities on human rights at the earliest possible stage. The risk analysis encompasses all KIRCHHOFF Automotive entities and is conducted in line with the global risk management process. KIRCHHOFF Automotive is dedicated to safeguarding the human rights of all stakeholders affected by our operations. We are committed to adhering to internationally recognized human rights regulations and standards. Additionally, we have officially implemented, published, and communicated our Global Human Rights Policy to ensure transparency and accountability in our practices.

We understand that providing efficient communication is the key element in ensuring compliance with regulatory and internal requirements. Having in mind the identified needs, the training including topics of human rights issues have been ap-

plied as obligatory for relevant groups of employees. Selected training has been also added to the onboarding process. Nevertheless, since 2024 employees will be assigned with the refreshed regular mandatory Code of Conduct training. This training will include a call to respect human rights responsibility and will be conducted biennially.

Compliance with our rules on respecting human rights is regularly monitored and verified through incident surveys and whistleblowing process.

Global departments such as Human Resources, Governance, Risk & Compliance, Legal & Administration, Environment, Health & Safety, and Procurement ensure an adequate level of expertise in case of necessity to immediately address any potential human rights-related and implement efficient preventive measures.

For details on our approaches to various workforce-related topics, please refer to the appropriate disclosures.

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

KIRCHHOFF Automotive's Code of Conduct outlines our general commitment to respecting employees' rights to freely associate, form and join trade unions, engage in collective bargaining, seek representation, and participate in workers' councils. The specifics of this commitment are detailed in our newly implemented Human Rights Policy. Employees are free to communicate with management without fear of reprisal, discrimination, harassment, or intimidation, regarding their human rights. In addition to the official channels for engagement with our workforce, regular meetings between management and employees are organized locally. We strive to organize regular employee forum meetings to maintain the flow of information, providing another chance for employees to raise issues, and ask pressing questions. More structured meetings off such take place in Portugal as "KONECT Direct Talks" initiative and in Hungary as "Hot Chair".

In Portugal, the KONECT Direct Talks initiative involves meetings between management and six employees from different departments and are organized once a month. Our Portuguese Managing Directors talk informally about various topics with the employees, ensuring upward and downward communication and fostering greater closeness to the shopfloor. The feedback from employees participating in the Direct Talks initiative has been very positive, as they feel they can share their opinions, ask questions, and hear important messages directly from local board members.



In Hungary, the "Hot Chair" initiative gives every department the opportunity to meet with the managing directors. These meetings, involving 8–15 people, are always very intense, with the local management board receiving many questions.

Additionally, we conduct a global satisfaction survey every two years to gather feedback from our workforce. Even at the end of the collaboration between the employee and KIRCHHOFF Automotive, we are committed to ensuring they are heard, and their feedback is considered in our human resources strategy. These exit interviews allow us to gain a better understanding of the reasons for employees' departure and gather reliable data to prioritize mitigation measures.

For more information on union representation and collective bargaining at the local entity level, please consult disclosure S1-8.

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

The whistleblowing communication channels

The whistleblowing process has been deployed in all eleven countries where we operate. Allegations of potential or actual non-compliance can be reported by the employees via multiple dedicated secure communication channels. They are offered in local languages for all KIRCHHOFF Automotive employees and any third parties worldwide. Locally, Compliance Delegates are appointed so that employees can discuss their concerns in a local language. At the corporate level, we introduced the role of KIRCHHOFF Automotive Compliance Officer, and the Business Ethics Ombudsman – an external lawyer.

Processes for providing or contributing to remedy

In the event of any human rights or environmental violations identified within its own operations, or upon discovering that such violations are imminent, KIRCHHOFF Automotive is committed to taking the necessary measures for remediation without undue delay. Remedial actions must be aimed to prevent, terminate, or minimize violation or risk of violation.

Our Compliance Officer and Compliance Delegates, depending on the case, are responsible for conducting the investigation and are entitled to involve other investigators with expertise and knowledge if needed. KIRCHHOFF Automotive introduced control measures to guarantee the objectivity and impartiality of the investigators. Depending on the circumstances, the relevant KIRCHHOFF Automotive representative with a high level of expertise will be assigned a duty to supervise remedial actions.



Results of actions are reported to the KIRCHHOFF Automotive Risk and Compliance Committee.

All information gathered in the course of the process is kept confidential. We protect the identity of both the whistleblower and the person under allegation as well.

Protection against retaliation for all individuals reporting concerns is formally ensured in our Whistleblowing Policy and Code of Conduct.

Communication on whistleblowing

KIRCHHOFF Automotive provides broad communication on whistleblowing. Information in the form of a dedicated tab in the intranet and external website and posters has been provided to the employees in their local languages at all our locations.

Furthermore, KIRCHHOFF Automotive developed a separate e-learning module on whistleblowing for direct superiors.

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

The details on KIRCHHOFF Automotive's actions are discussed in the relevant sections (S1-1 to S1-3 and S1-6 to S1-16) of the Social chapter of this report. Along with the measures disclosed they provide a comprehensive understanding of every specific subtopic.

Furthermore, it is worth mentioning that in 2023, we initiated efforts to develop our Human Rights Policy, which was communicated in 2024. Moreover, to enhance our management of social related topics, e.g. training needs, diversity and to better monitor and support employee development, we are implementing a new global HR system. This IT system will provide a more integrated and efficient approach to workforce management, ensuring that our employees receive the necessary support and resources for their growth.

In addition, in cases of need for competency assistance, our employees can access relevant training materials directly through our e-learning platform, which hosts a variety of useful guidelines, step-by-step instructions, and interactive e-learning modules.

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

The well-being of our employees has always been a top priority for us. We have established local targets and initiatives designed to better address the needs of our workforce, tailored to the specific characteristics of each facility, regional nuances,



and cultural contexts. These localized efforts ensure that we are responsive to the unique challenges and opportunities within each area where we operate.

Looking ahead, we are committed to taking steps towards setting reasonable and meaningful targets at a global level. These future global targets will be designed to harmonize our efforts and further enhance our ability to manage material risks and opportunities while advancing positive impacts across our organization.

S1-6 Characteristics of the undertaking's employees

The data presented in the tables pertains to our employees, defined as individuals who have an employment relationship with KIRCHHOFF Automotive in accordance with national laws or practices. The provided numbers are reported in FTE (full time equivalent) at the end of the reporting period. Data was collected at the local level for the 2023 financial year and subsequently consolidated. In 2023 almost 90% of employees had a permanent employment contract, and 98% worked full-time.

Approximately 63% of them are located in Europe and Asia, whereas 37% of employees work in the North American region.

In 2023 the total reported number of employees was lower than in previous editions which results from a change of calculation methodology. This year's number of employees, which is 7700, does not include the non-employee category of workers (both individual contractors supplying labour to the undertaking – "self-employed people" and people provided by undertakings primarily engaged in "employment activities"). Current disaggregation categories remain compliant with ERS.

The employee turnover rate was 17% (calculated as the total number of employees who left the company divided by the total number of employees at the end of the reporting period). In Europe, the increase in job openings has created a favorable market for job seekers. We are closely monitoring employee turnover rates across different groups to better tailor our retention strategies.

Table 6. Gender distribution in percentage.

| Gender | 2022 | 2023 |
|---------------|--------------|------|
| Female | 23% | 22% |
| Male | 77% | 77% |
| Other | Not reported | 0% |
| Not disclosed | Not reported | 1% |
| Total | 100% | 100% |

Table 7. Number of employees by contract type, broken down by region.

| | KAEA | | KANA | | Total | |
|--------------------------------|--------------|-------|--------------|-------|----------------------|-------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Number of employees | Not reported | 4,838 | Not reported | 2,862 | 8,300 ⁽¹⁾ | 7,700 |
| Permanent employees | Not reported | 3,909 | Not reported | 2,843 | Not reported | 6,752 |
| Temporary employees | Not reported | 929 | Not reported | 19 | Not reported | 948 |
| Non-guaranteed hours employees | Not reported | 0 | Not reported | 0 | Not reported | 0 |

(1) In previous editions of our sustainability reports, the total number of employees included also agency workers. Number of our own employees in 2022 was 7500.

Table 8. Number of employees by contract type, broken down by gender.

| | Female | | Male | | Other | | Not disclosed | | Total | |
|--------------------------------|--------------|-------|--------------|-------|--------------|------|---------------|------|----------------------|-------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Number of employees | Not reported | 1,712 | Not reported | 5,943 | Not reported | 0 | Not reported | 45 | 8 300 ⁽¹⁾ | 7,700 |
| Permanent employees | Not reported | 1,522 | Not reported | 5,185 | Not reported | 0 | Not reported | 45 | Not reported | 6,752 |
| Temporary employees | Not reported | 190 | Not reported | 758 | Not reported | 0 | Not reported | 0 | Not reported | 948 |
| Non-guaranteed hours employees | Not reported | 0 | Not reported | 0 | Not reported | 0 | Not reported | 0 | Not reported | 0 |

(1) In previous editions of our sustainability reports, the total number of employees included also agency workers. Number of our own employees in 2022 was 7500.



S1-7 Characteristics of non-employees in undertaking's own workforce

Non-employees are very important part of Human Resources management at KIRCHHOFF Automotive. They participate in development activities, various internal and external trainings, and are given an opportunity to be hired permanently by KIRCHHOFF Automotive.

In most of our locations worldwide, non-employees in KIRCHHOFF Automotive are hired by temporary employment agencies.

Figures in table 9 come from the official December 2023 – Month End Report and were provided by local HR departments from each location, then consolidated. They are expressed in the FTE at the end of the reporting period.

Table 9. Characteristics of non-employees in KIRCHHOFF Automotive workforce.

| | 2022 | 2023 |
|---|---------------------------------------|------|
| Total number of non-employee workers in own workforce | Included in total number of employees | 701 |
| Self-employed workers | Not reported | 0 |
| Workers provided by undertakings primarily engaged in employment activities | Included in total number of employees | 701 |

S1-8 Collective bargaining coverage and social dialogue

KIRCHHOFF Automotive respects employees' rights to associate freely, form, and join trade unions, bargain collectively, seek representation, and join workers' councils. Employees are free to communicate with management without fear of reprisal, discrimination, harassment, or intimidation.

The percentages of employees covered by collective bargaining agreements or social dialogue (workers representation) for each country were provided by local HR Departments.

The collective representation of employees' interests has always been an important factor at KIRCHHOFF Automotive. This is reflected, among other things, in the collective bargaining coverage: at the end of 2023, 39% of our employees in EEA were subject to regulations on pay and working hours that were collectively negotiated by representatives of employees and employers. Outside EEA it was 35%. These agreements include both internal and external agreements, such as those involving trade union representatives.

The Kirchhoff family has been committed to the social partnership between employers and employees for a long time. Chairman of the Supervisory Boards KIRCHHOFF Automotive AG / KIRCHHOFF Automotive Holding AG & Co. KG, Arndt G. Kirchhoff, is President of the North Rhine-Westphalia Federation of Business Associations and at the same time Vice President of Gesamtmetall Employers' Association. As President of the North Rhine-Westphalian employers' associations for the metal and electrical industries, he leads collective bargaining for the sector. His father, the late Dr. Jochen F. Kirchhoff, was active in the same functions for decades.



Table 10. Collective bargaining coverage and social dialogue.

| Collective bargaining coverage | | | Social dialogue |
|--------------------------------|-----------------|---------------------|-------------------------------------|
| Coverage Rate | Employees – EEA | Employees – Non-EEA | Workplace representation (EEA only) |
| 0–19% | HU, PL | CA | ES, HU, PL |
| 20–39% | | US | |
| 40–59% | | MX | |
| 60–79% | DE | CN | |
| 80–100% | ES, IE, PT, RO | | DE, IE, PT, RO |

S1-9 Diversity metrics

The diversity of our staff drives innovation and enriches our organization. Workforce diversity and equal opportunities regardless of age, gender, gender identity, sexual orientation, origin, religion, and lifestyle, are central components of sustainable development at KIRCHHOFF Automotive. To eliminate any form of discrimination within our company, all new employees receive training on KIRCHHOFF Automotive's Code of Conduct during the onboarding process. This training explicitly condemns discrimination, harassment, and disrespectful behaviors, reinforcing our commitment to a respectful and inclusive workplace.

Age demographics

Understanding the age distribution of our workforce is crucial for developing effective HR strategies, succession planning, and ensuring a diverse and inclusive workplace. In 2023, KIRCHHOFF Automotive maintained a balanced workforce across different age groups. This diversity helps us benefit from a mix of experience, innovative ideas, and fresh perspectives. The age distribution of our employees is presented in table 11.

Table 11. Number and percentage of employees, broken down by age.

| Number of employees | 2022 | 2023 |
|---|--------------|-------|
| Under 30 years old | Not reported | 1,213 |
| Percentage of employees under 30 years old | Not reported | 16% |
| Between 30 and 50 years old | Not reported | 4,333 |
| Percentage of employees 30 and 50 years old | Not reported | 56% |
| Over 50 years old | Not reported | 2,154 |
| Percentage of employees over 50 years old | Not reported | 28% |



To attract new employees in Esztergom (Hungary) in 2023, we prepared a recruiting campaign called 'Heavy Metal,' which refers to the music genre while also humorously with in to the materials we work referencing our industry. This creative approach received significant recognition, winning the Gold award at The HRBest Awards 2023 and the Bronze prize in the main category of HR campaigns at the HRKOMM Awards.

S1-10 Adequate wages

All our employees in European countries are paid an adequate wage in line with Directive (EU) 2022/2041, and 100% of our employees in non-European countries are paid at least the minimum wage in line with applicable national laws.

S1-11 Social protection

The health of our employees is paramount to us. In addition to maintaining high health and safety standards at our facilities, we also provide supplementary private medical packages in many of our locations. Moreover, in Gliwice, employees have access to private psychological support.

S1-12 Persons with disabilities

Although we do not collect comprehensive data on employees with disabilities across KIRCHHOFF Automotive, we are proud to include individuals with disabilities in our workforce. In Mexico, we participate in the “The Gilberto Rincón Gallardo” Inclusive Company Distinction program, a strategy of the Ministry of Labor and Social Welfare. This program recognizes workplaces that implement Good Labor Practices Policies, promoting equal opportunities, inclusion, development, and non-discrimination for individuals in vulnerable situations. The objectives of this distinction include actions that favor the autonomy and independence of people in vulnerable situations and contribute to cultural change by creating environments free of violence and discrimination.



KIRCHHOFF Automotive Querétaro has held the distinction as an inclusive company since March 2015, the official date of certification. Even before our official certification, we provided employment opportunities to people in vulnerable situations, including those with hearing and motor disabilities. To support their integration, we hire translators to ensure they have access to all necessary information upon joining KIRCHHOFF Automotive.

We remain committed to offering employment opportunities to individuals in these vulnerable conditions.



S1-13 Training and skills development metrics

Committed and well-trained employees are the most important success factor of KIRCHHOFF Automotive. We offer employees internal career and development opportunities so that every employee can make the most of their potential.

We provide our employees numerous lifelong learning opportunities worldwide. The most important examples are global HR programs such as:

- Local Leadership Development Program – this program is aimed at all managers (team leadership and above) and those who will take over leadership responsibilities within the next six months. The program consists of six modules that provide clear expectations for responsible leaders at KIRCHHOFF Automotive
- KATE (KIRCHHOFF Automotive Talent Education) – KATE includes both the selection of potential candidates and their development program. The program targets employees who are aiming to grow into a management role or an expert. The KATE process focuses on employees at early career stages who have the potential to grow at KIRCHHOFF Automotive. We are glad that the program has also been implemented in KANA where we will be able to develop talents from that region as well, reaching a wider group of employees. So far, our colleagues from Germany, Poland, Hungary and Portugal have been participating in the KATE program. In total, 145 of our employees were covered by it. Almost every second participant was subsequently promoted to a higher-level role. This reflects the program's importance and reasonableness. It also confirms that our talents can successfully shape the company's future in the long term
- EDP (Employee Development Process) – our employees took part in the official Employee Development Process which includes competencies assessment and goal setting. In addition, multiple local initiatives regarding performance and



First participants of KATE program in KANA

career development took place covering 100% of employees, as all of them are encouraged to develop themselves and have a chance for internal promotions based on objective and transparent criteria. They have also an occasion to discuss their development possibilities with their managers and supervisors who are open to such meetings

- KIRCHHOFF Automotive Academy – a global program that standardizes training material content for each department. The academy also drives the availability of standardized e-learning materials
- Tuition Reimbursement – partial course fee reimbursement is a country-specific offer from KIRCHHOFF Automotive, it supports employees' continuing education in courses or programs that improve their professional skills

Our non-employees also have development opportunities within KIRCHHOFF Automotive, including internal and external training. These trainings strengthen their technical and also soft skills – in the same way as for our own employees.

We also encourage our employees to share their expertise and knowledge with colleagues from other locations and countries, encompassing all production and support processes. This ex-

change of knowledge is facilitated by a structured process of lessons learned and best practices, which operates on a global scale.

Additionally, in Mielec (Poland), Mexico, and Portugal, employees and non-employees can attend toolmaker schools, while in Gliwice, we have organized a professional welding school and cooperate with many local educational institutions and technical institutes to educate our workforce.



Our commitment to training and development extends beyond our employees and agency workers and includes students at various educational levels. We sponsor classes in nearby technical schools, offer specialized programs at universities, and offer apprenticeship programs. This comprehensive approach underscores our dedication to fostering continuous learning and skill enhancement.

KIRCHHOFF Automotive employees are the biggest competitive advantage that can hardly be overestimated. That is why our Human Rights Policy is aimed at long-term employment and talent development. We believe that motivated and qualified employees contribute to the sustainable development of the company and its environment.

Although we prioritize employee development through the implementation of the global EDP program, which systematically manages their growth, this has not been reflected in this year's result for the percentage of employees who participated in regular performance and career development reviews, which stands at 34%. This discrepancy is due to a change in the new system used to monitor these evaluations. It is an extract from the new system, which unfortunately does not include records from the old system, losing records of employees who did their EDP evaluation earlier. We hope that next year's figures will more accurately reflect the actual situation. We are optimistic that in 2023, each employee had at least one annual EDP discussion with their supervisor and received a jointly agreed, individual development plan.

This system transition has also impacted our training and skills development metrics. Due to the ongoing transition to a new HR system, we are currently in the process of restructuring our KPIs related to training and development. As a result, the accuracy of our training data has been compromised. We are actively working on implementing the new system and expect to have it fully operational by the next reporting period. With this implementation, we anticipate that our data will be captured with a high degree of precision, allowing us to report more accurately on our training and skills development efforts in the future.



Inauguration of third edition of KATE in Poland



KATE team in Germany



KATE team in Portugal

S1-14 Health and safety metrics

The health and safety of all our employees and anyone who interacts with us are core values deeply integrated into our corporate culture, as expressed in the KIRCHHOFF Automotive Vision and Values and Code of Conduct. We are strongly committed to developing our employees and actively supporting their health and satisfaction. Ensuring that all employees return home in the same way they came to work is our daily goal. For our entire supply chain, we require the same high standards we set for ourselves, particularly concerning health and safety.

To help achieve our goal, KIRCHHOFF Automotive has implemented an occupational health and safety management system. By the end of 2023, 24 out of 25 plants had been certified to ISO 45001, covering 99.6% of KIRCHHOFF Automotive's own workforce. While working on our site or visiting our plants, subcontractors and visitors are embraced by our Health & Safety Management System. In addition, all KIRCHHOFF Automotive employees are regularly trained to raise health and safety awareness.

As part of continual improvement, several plants took initiatives to improve safety performance in 2023. Examples include:

- The Portugal plants launched a Zero Accidents campaign. The campaign focused on 4 areas including: improving standards and procedures, improving H&S communication, improving shop floor conditions, and improving enforcement of H&S standards. The increased attention on H&S is resulting in fewer injuries compared to previous years.



- Mexico Management Team members complete H&S observations and reports of issues and actions taken to correct identified risks. The engagement with employees helps to demonstrate management's commitment to employee safety.
- Attendorn uses electric walk-behind lift trucks to move part bins and materials in tight areas such as the press shops to reduce the risk of forklift-pedestrian collisions. Other plants assessed and adjusted forklift speeds to also reduce this risk.
- Several plants perform employee health checks and provide information to promote good health.
- To improve communication of H&S information during new employee orientation, the North York team developed a video to share this information.
- To help prevent incidents at different locations, global H&S developed and rolled out an incident communication to share information on reportable injuries and potentially serious near-miss incidents across all of KIRCHHOFF Automotive facilities. The one-page communication describes what happened, contributing factors, root cause and corrective actions. The incident communications are being reviewed by plants for assessment of risk, and implementation of actions if applicable.



Data presented in table 12 includes information for both employees and non-employees, except for KPI on the number of days lost to work-related injuries, fatalities from work-related accidents, work-related ill health, and fatalities from ill health that is counted only for our employees.

We observed an increase in the number of recordable work-related accidents among own workforce, which includes injuries or illnesses requiring off-site medical attention, both with and without absence days. However, despite this increase, the rate of recordable work-related accidents¹ has decreased compared to 2022, largely due to a nearly 10% rise in total hours worked. When considering only accidents resulting in days lost, the rate is much lower, standing at 10.03.

The severity of all accidents and illnesses is reflected in the Lost Time Injury (LTI) severity rate². Despite the increase in hours worked in 2023, the number of days lost due to work-related accidents or illnesses has decreased.

This year's data shows that we are on the right path to improving health and safety workplace conditions and reducing risk.

1 Calculated as the total number of recordable work-related accidents, both resulting in absent days and not, multiplied by 1,000,000 and divided by total hours worked.

2 Calculated as the number of days lost due to injuries and illness multiplied by 1,000 and divided by total hours worked.

Table 12. Health and safety related metrics.

| | 2022 | 2023 |
|--|---|---|
| Percentage of own workers who are covered by health and safety management system based on legal requirements and (or) recognized standards or guidelines | Not reported | 99.6% |
| Number of fatalities in own workforce as result of work-related injuries and work-related ill health | 1 | 0 |
| As result of work-related injuries | 1 | 0 |
| As result of work-related ill health | 0 | 0 |
| Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites | 0 | 0 |
| Number of recordable work-related accidents for own workforce | 223 | 230 |
| Rate of recordable work-related accidents for own workforce | 15.85 ⁽²⁾ | 14.88 |
| Number of cases of recordable work-related ill health of own workforce | Included in number of recordable work-related accidents for own workforce | Included in number of recordable work-related accidents for own workforce |
| Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health | 3,120 ⁽¹⁾ | 3,001 |
| Total hours worked | 14,071,522 | 15,452,000 |
| Lost time injury (LTI) severity rate | 0.22 ⁽³⁾ | 0.19 |
| Lost time injury (LTI) frequency rate | Not reported | 10.03 |

(1) Non-employees not included.

(2) In the Sustainability Report 2022, we used a different methodology. The calculation formula was as follows: number of recordable work-related accidents and illness for own workforce * 200,000 / Total hours worked.

(3) In the Sustainability Report 2022, we used a different methodology. The calculation formula was as follows: number of days lost due to injuries and illness * 200,000 / Total hours worked.

S1-15 Work-life balance metrics

The entitlement to family-related leave does not depend on any triggering conditions. Whether an employee is entitled to family-related leave depends on family-related leave provisions under national law or collective agreements. For our employees it means that all of them are entitled to take family-related leave. The numbers in table 13 were provided for each location by local HR Departments.

Table 13. Percentage of entitled employees that took family-related leaves.

| | 2022 | 2023 |
|--------------|--------------|-------|
| Female | Not reported | 8.2% |
| Male | Not reported | 5.7% |
| Other gender | Not reported | 0 |
| No Data | Not reported | 0 |
| Total | Not reported | 6.24% |

Ensuring a healthy work-life balance is an important aspect of building a company that is more aware of and committed to sustainability. We recognize that fostering a supportive environment where employees can balance professional responsibilities with personal well-being is essential to their overall satisfaction and productivity. We have a responsibility to our employees, and we recognized this obligation long before it became legally regulated, by offering social benefits as early as the 19th century. Continuing this tradition, creating a workplace that is supportive of our employees is consistently important to us. That's why our benefits catalog is regularly updated, and we adapt to evolving trends.

Examples of forms that support a balanced environment are listed below:

- In light of the global COVID-19 pandemic, remote work has proven to be a safe and effective way to conduct business.



We have responded by offering flexible working arrangements that cater to individual needs and circumstances. As such, remote work may now be incorporated into employees' work schedules where appropriate and possible, as well as flexible working time

- The health of our employees is vital to us. In addition to maintaining high health and safety standards at our facilities, we also provide supplementary private medical packages in many of our locations to ensure their well-being. Moreover, in Gliwice, employees have access to private psychological support



- In Germany, our employees' children have access to a private kindergarten KiCoKids operating year-round
- As a company with family in DNA, we pay particular attention to events dedicated to the integration of employees together with their relatives. To this end, we have been organizing annual festivals at our sites, which are packed with lots of socializing entertainment. These actions are designed to promote work-life balance, boost employee morale, and foster a sense of community within the company. Family Day is not only a perfect way to show appreciation for hard work and dedication but it also provides an informal setting for employees to interact and build stronger relationships, enhancing team cohesion and collaboration. Demonstrating commitment to family values definitely aligns with KIRCHHOFF Automotive company's culture
- Throughout the year, we celebrate important days, appreciating the different cultural backgrounds of our employees, and host numerous initiatives and contests that foster
- Team-building through friendly competition
- One of our most cherished and longest traditions is our joint Christmas tables. These events allow employees to exchange Christmas wishes with the whole team, management, and shareholders in a peaceful atmosphere, December is also a highly anticipated time for our employees' children, as we organize special meetings with Santa Claus. These events feature engaging animations, numerous attractions, and, of course, the essential element of gifts
- To further strengthen our bonds, employees participate in sports activities, such as creating football teams, making bike excursions, or running. In 2023, we even organized a fishing tournament in Hungary
- For photography enthusiasts, we held a local landscape nature competition, with the top 12 photos being selected for KIRCHHOFF Automotive's 2024 calendar.



“In our corporate values it is clearly anchored that we actively promote the health and satisfaction of our employees. That’s why we have launched health initiatives, encouraged sporting activities, organized family events and launched the work-life-balance program. KIRCHHOFF Culture Life is to become a firm component of this.”

CEO and Chairman of our company J. Wolfgang Kirchhoff.

KIRCHHOFF Culture Life

As a company operating in 11 countries, we are committed to supporting and promoting cultural diversity. We acknowledge and celebrate the cultural distinctiveness and traditions of the countries in which we operate. This commitment is reflected in our unique program, KA Culture Life, which emphasizes these values and sets us apart from other entrepreneurs. This unique cultural initiative was launched by KIRCHHOFF Automotive in 2017 with the aim of offering a more sophisticated experience to our employees and their families. We offer them special cultural events that foster a sense of community and create special memories. During these events, participants can not only try but also experience new things from different cultural fields and get to know colleagues better.

In 2023, KIRCHHOFF Automotive hosted several significant cultural events to engage employees and their families. On May 5, in Dorog near Esztergom, our cultural officer Thomas Kirchhoff inaugurated a new production and logistics hall. Following this, a KIRCHHOFF Culture Life event featured a collaborative art project with elements symbolizing company values and the city of Esztergom.

In autumn, the “Explosion of Culture” events in Mielec and Attendorn had employees and their families creating artworks



depicting the company’s history at these plants, accompanied by special musical performances.

On November 27, over 100 employees participated in a reading evening at the Städtische Galerie Iserlohn, where they shared their favorite literature, promoting creativity and intellectual engagement within the workplace.

These events, among others, showcase KIRCHHOFF Automotive’s dedication to supporting and promoting cultural values, as emphasized in our Vision and Values. Our unique KA Culture Life initiative sets us apart by acknowledging and celebrating the cultural distinctiveness and traditions of the countries in which we operate.



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

At present, KIRCHHOFF Automotive does not collect data that enables comprehensive reporting on the pay gap across its entire worldwide network. We ensured in our Code of Conduct the principle of ‘equal pay for equal work’.

S1-17 Incidents, complaints and severe human rights impacts

No severe human rights incidents (e.g. forced labour, human trafficking or child labour) were identified in the reporting period.



WORKERS IN THE VALUE CHAIN

S2-1 Policies related to value chain workers

KIRCHHOFF Automotive respects the human rights and dignity of people not only within our operations, but equally in our global supply chains, and the communities where we operate. Details on our risk management process and protective measures concerning the adherence to human rights of workers in our supply chain, are described in section S1-1.

Sustainable Procurement and Supply Chain Policy

KIRCHHOFF Automotive is committed to responsible procurement. We aim to practice a continuous improvement approach to understand better and take due responsibility for any potential adverse environmental, social, and economic impacts regarding purchasing. Our ambitions and principles are reflected in the Sustainable Procurement and Supply Chain Policy.

The Policy is aligned with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and OECD Due Diligence Guidance for Responsible Business Conduct. Procurement actions at KIRCHHOFF Automotive are taken in a manner to support our ambitions in human rights and environmental protection as well as resource conservation.

The principles of the Sustainable Procurement and Supply Chain Policy apply to all KIRCHHOFF Automotive employees and are published on the intranet (K>NET). Additionally, our employees having a decisive role in the procurement process are regularly

provided with tailored procurement training. The Policy Owner is the Global Executive Vice President Procurement. The global leadership of the procurement function constitutes the forum for matters related to sustainable procurement while the KIRCHHOFF Automotive Executive Board and respective local boards are committed to providing the necessary resources and effective planning and execution of the procurement strategies.

Code of Conduct for Suppliers

Our supplier management ensures that the high standards of KIRCHHOFF Automotive with regard to labor and human rights, corporate ethics, and the environment are communicated and respected within our supply chain. To this end, all suppliers and their subcontractors must comply with our Code of Conduct for Suppliers.

Our Supplier Code applies to any external parties, such as suppliers, vendors, consultants, independent contractors, agents, or any others that act in the interests or on behalf of KIRCHHOFF Automotive. Human rights regulations are particularly emphasized, with strict prohibitions against human trafficking, forced labor, and child labor. The safety of workers and issues related to precarious work are also key concerns that suppliers must address. Additionally, we require suppliers to uphold our principles and ensure these standards are maintained throughout their entire supply chain. KIRCHHOFF Automotive's Code of Conduct for Suppliers is publicly available for all interested parties on our website.

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

At the present time, we have no procedures in place to discuss potential impacts directly with value chain workers. In a mid-term scenario, we will decide how to raise this topic with our suppliers' workforce.

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

The whistleblowing communication channels

The KIRCHHOFF Automotive whistleblowing system is accessible to external parties. The third parties can contact our KIRCHHOFF Automotive Compliance Officer or an external lawyer, the Business Ethics Ombudsman.

Processes for providing or contributing to remedy

Discovering a violation of any human rights-related or environment-related obligation at a direct supplier or even such risk thereof must be addressed with appropriate remedial actions. Remediation must be taken without undue delay and lead to prevent, minimize, or terminate such violation or risk of violation. Affected suppliers are encouraged to collaborate on the development of corrective measures. Procurement Risk Committee, responsible for remediation supervision, reports to the relevant member of the Executive Board.



Communication on whistleblowing

Information on whistleblowing is accessible, for external stakeholders, on the KIRCHHOFF Automotive website. Additionally, our suppliers can find information in the KIRCHHOFF Automotive Code of Conduct for Suppliers and through procurement representatives. Furthermore, suppliers should communicate information about KIRCHHOFF Automotive's and their own whistleblowing mechanisms to all stakeholders.

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

Our procurement activities are conducted in a manner to support ambitions in business ethics, human rights, sustainability, and environmental protection. To achieve these targets, KIRCHHOFF Automotive implemented due diligence process designed to properly and effectively verify and select suppliers based on ethical and sustainability criteria.

Part of the due diligence obligation in the supply chain is a systematic and ongoing risk management process that enables KIRCHHOFF Automotive to proactively address environmental & human rights risks and conduct business in a responsible manner. The assessment is conducted for all active and direct suppliers considering risk scores and parameters such as Country, Sector & Industry, and Business Relation and ESG (including criteria for human rights and UN SDG Goals). Suppliers with an identified elevated risk rating are subject to the broader and more specific assessment of their compliance with KIRCHHOFF Automotive's requirements. One of the tools used for this purpose is a self-assessment questionnaire, which is verified through an external platform. In the case of a supplier whose overall score is lower than KIRCHHOFF Automotive's expectations, the KA's Procurement Risk Committee decides whether to carry out an on-site audit at the supplier's facility. In 2023, we introduced the KASAR (KIRCHHOFF Automotive Sustainability Audit Report). This dedicated audit specifically evaluates sustainability criteria, focusing on ensuring the ethical, social, and environmental responsibility of our supplier base.

The following areas are assessed during the audit:

- General management
- Child labor and young employees
- Freely chosen labor
- Employee rights
- Employee participation
- Working hours and overtime
- Occupational health & safety
- Handling of chemicals and hazardous substances
- Environment
- Supply chain management

The KASAR audit is designed to support suppliers with important problems and possible solutions in order to gain a better understanding of social responsibility in the supply chain.

If the supplier is successful with the implementation of corrective measures, it is qualified to cooperate with KIRCHHOFF Automotive. If the audit result is negative or the supplier fails with the implementation of the post-audit recommendations, cooperation with such supplier is suspended or is withheld.

In 2024, we plan to continue enhancing the sustainability verification of our suppliers by including a sustainability category in the regular supplier performance evaluation. In addition to other criteria such as quality and logistics, the sustainability area will be rated with a weight of 25%.

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

Our goal is to ensure that all workers throughout the value chain have access to safe and fair working conditions and that their human rights are upheld.

AFFECTED COMMUNITIES

S3-1 Policies related to affected communities

Supporting of local communities has always been an important value for us, deeply rooted in the principles outlined in our Vision and Values. Our responsibility starts with our employees and extends to the broader society in which we operate as entrepreneur. Our Human Rights Policy reflects this commitment, emphasizing respect for the rights of all individuals, including minorities and indigenous peoples. We have also made it explicit that our employees must not, under any circumstances, engage in illegal activities such as the deprivation of land, forests, or waters through acquisition, development, or any other means. This commitment extends to our suppliers as well, reinforced through our Code of Conduct for Suppliers, ensuring that these values are consistently upheld across our entire supply chain.

S3-2 Processes for engaging with affected communities about impacts

Our processes for engaging with affected communities focus on identifying and maximizing opportunities in key areas such as environmental protection, job creation, community engagement, and contributing to the public good. We value strong relationships with the communities where we operate, and we utilize a variety of communication channels and methods to ensure their voices are heard and their needs are met. The details on this communication are disclosed in section SBM-2.

S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns

The processes we have in place to remediate negative impacts and the channels for affected communities to raise concerns are comprehensively detailed in sections S1-3 and S2-3 of our



report. We have established a whistleblowing channel that is equally accessible to all external third parties (including affected communities), ensuring that anyone impacted by our operations can voice their concerns confidentially and securely.

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

Over the last year, we've backed more than 20 projects, ranging from employee volunteering and participation to in-kind donations. Our aim is to contribute meaningfully to the local communities, stepping beyond the role of merely being an employer. Notable examples of our involvement include:

A successful collaboration with the University of Michigan, USA

In 2023, for four months, our company had the opportunity to collaborate with the University of Michigan. A group of five students from the Masters of Management program were matched-up with us as part of the Multidisciplinary Action Projects (MAP) course – an intense, student-driven learning experience in business education.

MAP is a mutually beneficial collaboration between students, faculty, and companies. For example, it gives companies the

chance to receive a fresh look at business opportunities from an unbiased team, and the chance to invest in the education and development of the next generation of business leaders.

Our Communication & Marketing Team worked with five students all Masters of Management candidates at the university. They focused on three areas to provide recommendations on how we could improve our company's social media presence: improving recruitment efforts, fostering/building upon existing client relationships, and developing executive communications.

After intensive research and thorough analysis of our social media platforms, the students put together a mid-point presentation, a final presentation, and a final report. It was an excellent opportunity to have members of the upcoming generation of professionals provide their input on our current public presence. It was also a welcome chance for the students to develop their skills in a "consulting" role, especially in a topic that they were not as familiar with in a business setting.

M | MICHIGAN ROSS



KIRCHHOFF
AUTOMOTIVE



Blood donation initiatives, Hungary, Portugal and Poland

Blood donation is a noble act that has the power to save lives and bring hope to individuals in need. It is a selfless gesture that embodies the essence of humanity's compassion and solidarity. Through the simple act of giving blood, donors contribute to the well-being of others, often without expecting anything in return.

In cooperation with the Hungarian Red Cross and the National Blood Donation Service, our team in Hungary organized the fourth employee blood donation event. The event has been a great success from the very beginning and is organized from time to time on the initiative of our colleagues. Nothing could be a better proof of its success than the fact that 34 employees took part in the autumn blood donation event.

Donating blood is a simple, safe and life-saving activity. On 12 June, KIRCHHOFF Automotive Portugal received a mobile unit from CHUC (Coimbra Hospital and University Centre) so that interested employees could take part in this action.

A blood donation event also took place in Mielec in December. "And you can become a red Santa Claus" – under this slogan the Mielec HDK Club at KIRCHHOFF Polska was organising an opportunity to donate blood on the premises.

Support for the Emiliano Zapata School, Mexico

In February 2023 our Queretaro plant provided support to local schools. Support provided for schools made everyone proud as a contribution to helping those institutions is meaningful as they are developing future generations.

Observing gratitude of school's students and staff was filling Queretaro team with additional motivation. That experience inspires us to continue supporting the local communities. We hope that our efforts will not remain unnoticed from other companies in Industrial Park and encouraged our positive change they also join that project.

It is important to make a change and promote quality educational facilities for vulnerable groups and the profound impact

it can have on fostering equity and opportunity within society. As we strive to build a more equitable and inclusive society, ensuring that every student has access to a quality education must be a top priority. Providing such a support for schools with the resources they need to succeed, we can break the cycle of poverty and inequality and unlock the full potential of every child.

Appreciation for local police, Dallas, USA

Law enforcement agencies are fundamental in maintaining peace and security in modern societies. Recognizing the hard work and sacrifices of police officers can build positive community relations. Our Dallas employees demonstrated their gratitude by assembling "appreciation bags" for Garland, Texas police officers. They enjoyed the collaborative effort and the chance to show their appreciation. "It was rewarding to work together as a team and bring a smile to our local police officers," said a team leader of that action. This initiative not only provided our employees an opportunity to give back but also to strengthen community bonds.



Helping by walking, running and even rowing. Germany, Poland, Portugal, Hungary, USA

Our KIRCHHOFF Automotive teams across Germany, Poland, Portugal, Hungary and USA have actively participated in various sports charitable events, showcasing our commitment to supporting local communities and charitable causes.

- In Germany, our team took part in an event organized by the citizens' association LebensWERT Iserlohn e. V., where employees ran laps to raise funds for local projects benefiting children, young people, and families in need. The team completed an impressive 536 laps, securing second place and raising €2,680 for social projects.
- In Poland, our representatives joined the Poland Business Run 2023 charity run, with 16 teams participating from Gliwice, Mielec, and Gniezno. This event aimed to help people with musculoskeletal disabilities and those recovering from mastectomy surgeries.

- Our Portugal team participated in the 2023 Women's Race, promoting breast cancer prevention and treatment awareness.
- In Esztergom our dragon boat team achieved first place in the amateur category during the Charitable Dragon Boat Day supporting Happy Lion fund.
- Our commitment to charitable endeavors extends to Tecumseh, where our team sponsored the Lenawee County Walk to End Alzheimer's. This event raised over \$54,000 to support Alzheimer's research and aid individuals affected by the disease. KIRCHHOFF Automotive Tecumseh proudly participated in the opening ceremony, symbolizing our support by holding orange flowers.

We're delighted by the proactive stance of our global teams, always ready to extend a helping hand. Their eagerness to assist has enabled us to engage in diverse initiatives, supporting individuals in need, and addressing challenges impacting future generations. From supporting students and schools to tackling pressing issues, our teams embody our commitment to making a meaningful difference in the world.

S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Currently, we view this area as an opportunity to strengthen positive relationships and generate mutual benefits for both the communities and our business. We believe that our engagement presents opportunities to build trust, support sustainable development, and enhance our reputation as a responsible employer.

Although we have not set formal targets, we regularly monitor our activities and undertake initiatives that contribute to improving the well-being of the communities we work with. We remain committed to further developing these opportunities and exploring new ways to create value for both the communities and our company.



GOVERNANCE



MAKING.MOBILITY.SAFE.

BUSINESS CONDUCT

G1-1 Business conduct policies and corporate culture

Compliance organization

KIRCHHOFF Automotive is dedicated to consistently upholding integrity in all its actions. Our corporate culture is based on transparency, openness, and mutual respect. We take responsibility for all the operations we conduct. Being active worldwide requires compliance with applicable national and international laws and regulations. Therefore, respecting such legal requirements and ethical acting are the core of all our actions.

Fulfillment of our commitment is ensured through the prevention-based KIRCHHOFF Automotive's Compliance Management System integrated with the KIRCHHOFF Automotive's Risk Management System.

At KIRCHHOFF Automotive, the compliance organization has been established to continuously improve the Compliance Management System, educate employees about compliance risks, and ensure compliance with demands at global and local levels.

The KIRCHHOFF Automotive Compliance Officer is in charge of the KIRCHHOFF Automotive Compliance Management System, leads the global Governance, Risk & Compliance department, and reports to the Executive Board of KIRCHHOFF Automotive AG on regular basis.

The KIRCHHOFF Automotive Risk and Compliance Committee, including i.a. the Executive Board's members and the Compliance Officer, regularly validates the business processes for i.a. compliance with our principles to identify and properly manage compliance risks and to assess corporate culture.

Business conduct

We firmly believe that compliance is an essential factor for the long-term success of our company, and we pay great attention to it. The results of the Compliance Risk Assessment are taken into consideration while establishing strong corporate governance, defining the accountabilities, developing the relevant policies, systems, and/or processes, and establishing a compliance training program. The targeted trainings for the employees have been provided. All of these actions contribute to our common compliance goal.

Vision & Values

KIRCHHOFF Automotive's Vision and Values, defined by the owners of our company in 2015, are the foundation and framework for the sustainability of our actions. They create unity, set common goals, and underline our claim: in everything we do, we want to be among the best.

KIRCHHOFF Automotive Vision and Values are communicated to all employees and business partners. To this end, we have translated them into eight languages and established relevant training as a mandatory part of the onboarding process for new employees.

Our vision:

- KIRCHHOFF Automotive is a global leader in the development and supply of best-in-class structures for vehicle bodies and chassis
- The company generates sustainable and profitable growth to remain financially independent and family-owned
- KIRCHHOFF Automotive is guided by the performance principle and stands for the highest level of customer service
- The company qualifies its employees and actively promotes their health and satisfaction

Values commit us to sustainable actions for the company, nature, and society:

- Honesty and reliability
- Trust and respect
- Social, environmental, and cultural responsibility

We take responsibility as a sponsor of charitable projects and in the education and training of people. To preserve nature, we protect the environment by using resources sparingly and observing strict environmental standards.



Code of Conduct

The KIRCHHOFF Automotive Code of Conduct is based on our Vision and Values. This ensures that our management systems meet the growing demands placed on us by our customers and society with regard to sustainability and corporate social responsibility. This is a standard that we ourselves, our customers, and society place.

The goal of the KIRCHHOFF Automotive Code of Conduct is to promote ethical behaviors, respect for human rights, fair and healthy working conditions, environmental responsibility, and sound business relationships throughout the KIRCHHOFF Automotive organization.

Our commitments

- We comply with labor laws and respect human rights
- Integrity is the foundation of our actions
- Our company's data and information management is clear and transparent
- Nature and biodiversity are important to us and future generations
- We ensure that employees have access to open and respectful communication

Our Code of Conduct was translated into eight languages and is published on the intranet and the external website. In addition, the posters with our commitments are also available at KIRCHHOFF Automotive's sites.

Our employees are the heart of KIRCHHOFF Automotive. By familiarizing them with the principles of KA Code of Conduct, we ensure the sustainable development of the company. Our worldwide production and administration employees have undergone appropriate training. We have also made this a compulsory part of the onboarding process so that new employees are trained on an ongoing basis.

Whistleblowing

At KIRCHHOFF Automotive, the established whistleblowing process is an integral part of the Compliance Management System and at the same time an early-detection mechanism for securing compliance with applicable laws and obligations adopted in our Code of Conduct and related policies.

The whistleblowing process deployed at KIRCHHOFF Automotive is based on legal and industry requirements. In 2023, we developed our new Whistleblowing Policy to ensure utmost care in the complete process. The whistleblowing principles are intended to foster a corporate culture by making our employees feel comfortable sharing their concerns. The whistleblowers can raise issues regarding any non-compliance related to human rights, safety and labor standards, environmental protection, business conduct as well as any illegal or unethical behavior.

Details concerning processes to remediate negative impacts and channels for own workforce and value chain workers to raise concerns are available in sections S1-3 and S2-3.

G1-2 Management of relationships with suppliers

KIRCHHOFF Automotive strives to maintain relationships with external parties built on common values and expected behaviors. We have implemented the Code of Conduct for Suppliers, which the suppliers are expected to comply with. The procurement function implements reasonable measures to ensure that suppliers obey the principles of our Code of Conduct for Suppliers and related requirements.

At KIRCHHOFF Automotive, supplier management begins even before we establish a partnership. During the onboarding process, suppliers are evaluated based on factors such as environmental impact, ethical practices, and social responsibility. A detailed supply chain risk management process focuses on the regular assessment of the direct suppliers, while indirect ones are assessed on an as-needed basis. For suppliers identified as potentially higher risk, external verification tool is utilized. If concerns persist, these suppliers undergo our internal audit process to ensure compliance and alignment with our standards.

The details on supplier management practices are disclosed in section S2-4.

Supplier diversity

We have set ourselves the goal of strengthening small businesses run by women, ethnic minorities, or members of vulnerable groups. In North America, we ensure this diversity in the supply chain through our "Supplier Diversity Program". It stipulates that KIRCHHOFF Automotive North America must obtain at least 5% of its products and services from M/WBE suppliers (Minority and Women-owned Business Enterprises). We have exceeded this target every year since 2019, consistently observing a growing trend. In 2023, the share was around 6.71%. We are involved in organizations that bring us into contact with such companies, such as the US Small Business Administration (SBA), the National Minority Supplier Development Council (NMSDC), and the Canadian Aboriginal and Minority Supplier

Development Council (CAMSDC). We also encourage our other suppliers to work with M/WBE suppliers.

G1-3 Prevention and detection of corruption and bribery

KIRCHHOFF Automotive is strongly committed to operating in accordance with all applicable anti-corruption regulations. We are aware corruption undermines the foundations of business, destroys competition and damages the growth and development of companies. Therefore, KIRCHHOFF Automotive rejects corruption in all its forms. Acting globally, our employees may be exposed to different types of behavior in their daily business activities, which may pose a potential risk of corruption incident. KIRCHHOFF Automotive has implemented a broad scope of countermeasures to prevent such violations of the anti-corruption law.

Expanding the principle of not tolerating corruption included in our Code of Conduct, the Anti-corruption Policy was adopted. It has been communicated to KIRCHHOFF Automotive employees at all locations. In addition, the guidelines on dealing with customers and other stakeholders were developed to enable a better understanding of the topic. Another aspect of corruption prevention is the ethical handling of conflicts of interest. KIRCHHOFF Automotive has issued a set of rules to be followed by our employees in the event that such conflicts occur. These guidelines were translated into all eight local languages and were made available to the employees.

Trainings on anti-corruption

Implemented guidelines for anti-corruption, conflicts of interest and hospitality and gifts were used as a basis for tailor-made e-learning addressed to the employees of administration. It includes practical information on these topics, explanations of the company's principles and instructions on how to proceed if faced with such situations in day-to-day business life. The training was developed in eight languages. Consequently, it



was added to the onboarding trainings. Principle on not engaging into corruption practices has been also included in the training material on the KIRCHHOFF Automotive Code of Conduct.

Corruption risk assessment

In the reporting period, 100% of KIRCHHOFF Automotive sites conducted assessments of their corruption risks. Additionally, this risk was also evaluated on the corporate level.

G1-4 Incidents of corruption or bribery

In 2023, KIRCHHOFF Automotive was not involved in any legal proceedings regarding corruption or bribery.

Any potential or actual allegation on corruption or bribery falls under KA Whistleblowing Policy and would be investigated according to its principles. No corruption incidents were noticed in the reporting year.

Consolidated information on actual and potential corruption or bribery notifications must be reported to the Executive Board by the Compliance Officer on a regular and ad-hoc basis.

KA-1 Confidentiality, data protection & cybersecurity

Confidentiality, data protection & cybersecurity

Although this topic is not required by the ESRS, it is highly significant to us and is thus included as a company-specific matter. Ensuring information security is essential for the proper functioning of our entire organization. Therefore, we present below some of the most important information related to this matter.

Confidentiality & data protection

Protection of confidential information is one of the principles adopted by the KIRCHHOFF Automotive management and is expressed in our Code of Conduct. All our employees are required to obey this principle and protect confidential information in whatever form (documents, digital data, knowledge). There is a strong awareness of this within the company therefore, all employees were provided with the relevant training on confidentiality in 2023. In order to protect information effectively, KIRCHHOFF Automotive has been continuously developing its Information Security Management System (ISMS). Information security encompasses all processes and tools used by a company to protect sensitive employees' and business data from unauthorized disruption, modification, destruction, and inspection.

Further training

Training employees on the topic of cybersecurity is an important component of the ISMS. KIRCHHOFF Automotive implemented a companywide ISMS training for all users with an email address. Together with implementing ISMS in our location comes an ISMS training specifically for our employees who do not have an email address. Besides our ISMS training, we continue to roll out new trainings on phishing awareness to keep our employees trained on the latest phishing threats. In addition, KIRCHHOFF Automotive continuously simulates

global phishing attacks on the company in order to train employees on the correct ways to react.

TISAX Certification

Our aspiration for constant improvement in information security is also expressed by certifications. By the end of 2023, a total of 10 of our sites had been audited and certified according to TISAX (Trusted Information Security Assessment Exchange), a standard established by the German Association of the Automotive Industry. TISAX aims to preserve confidentiality, integrity, and availability of information in a wide form, especially with focus on the secure processing of business partners' information and the protection of prototypes. In the coming years, we are driven to certify more locations accordingly.

Cybersecurity

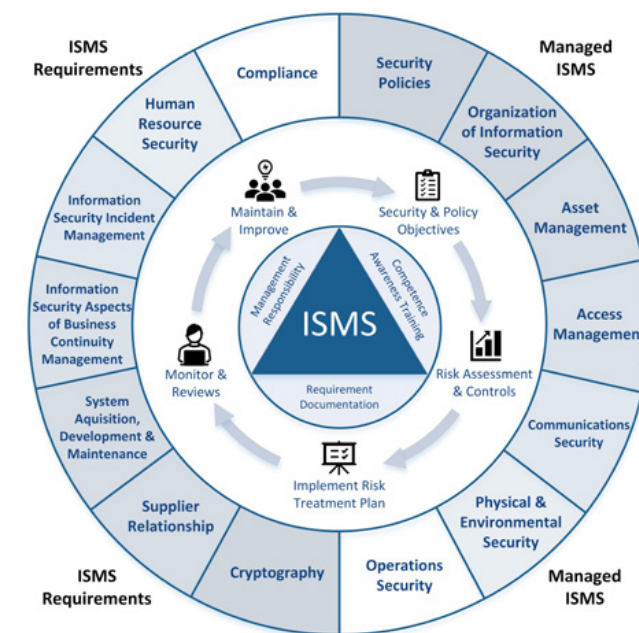
With the global increase in threats of cyberattacks and malware, KIRCHHOFF Automotive commenced a more intensive journey to take preventive measures against cyber risks and IT system failures in 2020. Besides prevention, we invest in continuity by developing and implementing recovery and business continuity plans. One of the biggest investment part in the KIRCHHOFF Automotive-IT budget is related to IT security measures, indicating, that KIRCHHOFF Automotive pay attention to the multiple cyber and information security risks.

To keep the same high standards worldwide, we started the process of prevention controls standardization across the company. Our system is constantly being enhanced regarding security procedures as well as implementing additional security measures. A holistic approach when building the ISMS system always directs us. Therefore, prevention is as important to us as developing corrective controls.

Observing the increasing cyberattacks on western infrastructures, the EU introduced the second EU Directive on Network and Information Security (NIS-2 Directive) on 27 December 2022.

It sets increased cybersecurity standards for certain companies (including us) in the automotive sector.























We are proactively considering these requirements and are diligently working to implement the necessary measures to ensure full compliance. Our goal is to effectively respond to the growing threat of cyberattacks and improve the resilience of critical infrastructures through these efforts.





































Graphical diagram on how we manage ISMS requirements













GRI CONTENT INDEX





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