

Sustainability Report 2023

KOSTAL



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Message from the Board

Dear Reader,

Our commitment to environmental, social, and governance (ESG) principles is fundamental to achieving our shared vision: to make a positive impact for the present and future generations. We stay focused on improving our performance. We do this to meet our sustainability objectives, including our ultimate goal: to be a carbon-neutral company on our entire value chain by 2045.

*KOSTAL Group, Management Board:
Andreas Kostal (left),
Dr. Gregor Mark Schmeken (middle),
and Kai Knickmann (right).*



Sustainability actions, achievements, and performance, highlighted in this report demonstrate our dedication to sustainability and our strategy built on the traditions of a more than a hundred year-old, family-owned company. In the year behind us, we established a strong governance foundation that supports KOSTAL



Group's ability to maintain an ongoing commitment to sustainability, while also successfully inspiring cross-divisional and regional collaboration on ESG within our organisation. We continued to enhance our transparency and accountability by establishing a standard-



ised sustainability metrics reporting and data collection process within our organization, enabling us to stay focused and monitor our ESG performance. In 2023, we also accomplished significant improvements in key sustainability areas

and achieved an impressive reduction in our energy, GHG (greenhouse gas), and water intensity. We are also progressing on our journey to achieve carbon neutrality in our operations. Three newly-installed on-site photovoltaic systems provide green energy to our facilities worldwide, and we are evaluating other projects globally.

In addition, to generate renewable electricity at our locations, we are investigating opportunities for sourcing renewable electricity within the geographic market boundaries where our sites are operating. Thanks to all these efforts, the renewable electricity share of our total electricity intake reached 35 % in 2023.



We hold ourselves to the highest ethical standards and expect the same from each of our valued stakeholders. As we are committed to embedding respect for human rights in the way we do business, we appointed a human rights officer in our organization in 2023.

Built on the foundations of several internationally-recognised standards and conventions, we have established our Human Rights Policy outlining our commitment to respecting human rights.

Major growth areas for our industry are electric mobility, renewable energy generation, and charging technology. With the acquisition of Compleo, one of the leading full-service providers of electric vehicle (EV) charging

technology, we aim to become the European market leader in providing charging infrastructure. As our customers focus on their sustainability commitments, they become increasingly interested in how the products they use are manufactured.

We are excited to support them by developing products with sustainability in mind. Our ambition is to design and manufacture sustainable products by using innovative materials and manufacturing processes, while also optimising the use of resources. The positive impacts of our sustainability actions are undeniable. Yet, we must acknowledge the significant sustainability challenges companies face throughout their value chain.

The social and environmental footprint of a company's supply chain surpasses that of its own operations, significantly contributing to GHG emissions, social repercussions, and effects on air, land, water, biodiversity, and geological resources.

To achieve our 2045 net-zero target, early and massive actions are necessary in the entire value chain. We are committed to taking collaborative actions with our suppliers, to ensure that our values and sustainability goals are transmitted into our supplier development strategies and relations.

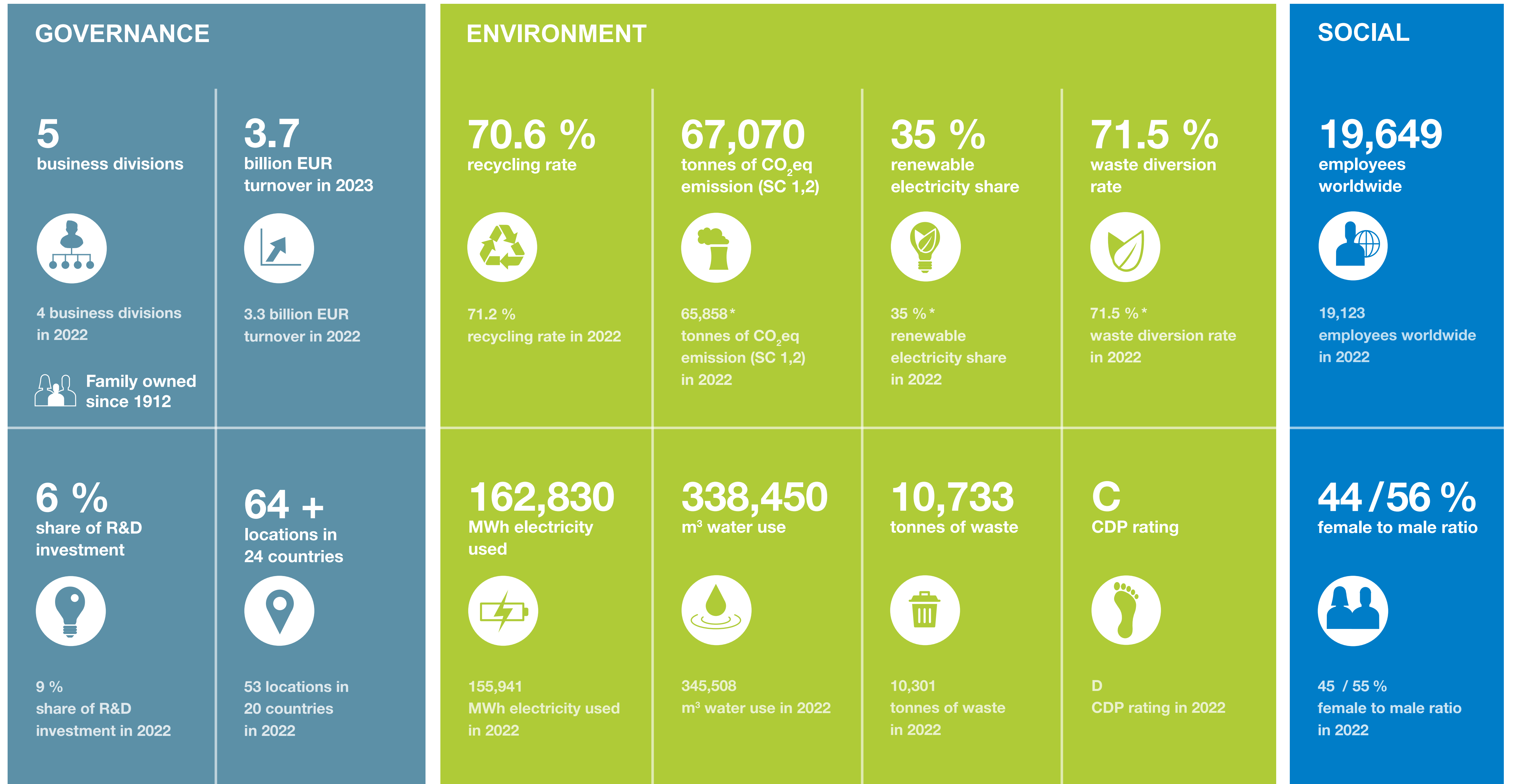
Sustainability and business prosperity go hand in hand. In this coming year, and beyond, we will continue our disciplined approach to building and sustaining progress towards our sustainability commitments while monitoring market trends and business opportunities.

We have accomplished much, yet there is a long journey awaiting. The credit for our achievements goes to our KOSTAL colleagues, suppliers, and partners for their ongoing commitment and dedication to joining us on our shared journey, OUR WAY to a sustainable future.

 **OUR WAY**
to a sustainable future



ESG highlights 2023

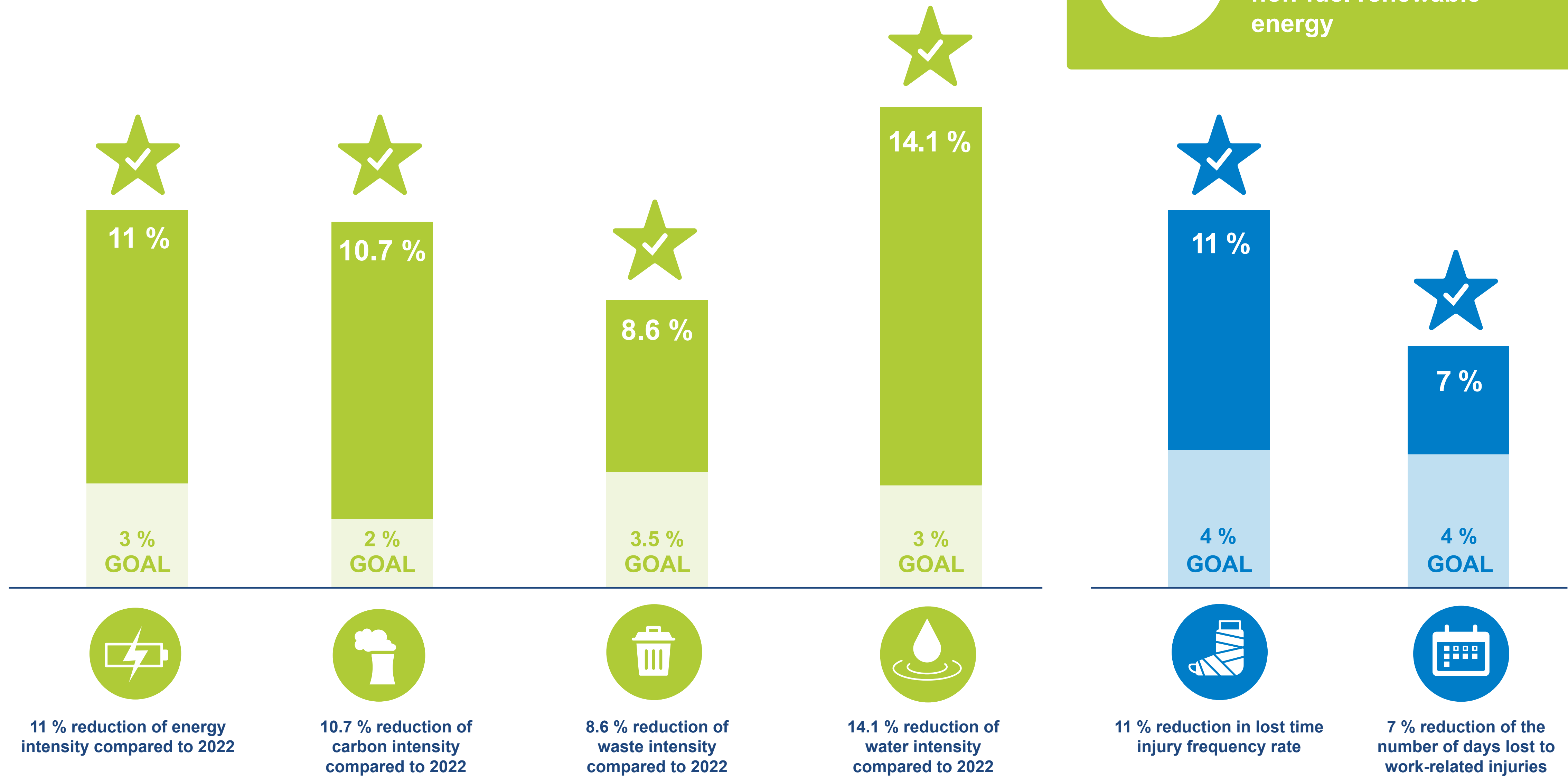


*Changes have been made to the baseline (2022) data due to internal data verification carried out in 2023. More information is available on pages 88-102.



2023 achievements compared to annual goals

128 %
increase of self-generated non-fuel renewable energy





About KOSTAL

The automotive sector has a significant influence on society and daily life. It serves as the backbone for transportation and fosters extensive research, development, innovation, and expertise.

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

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

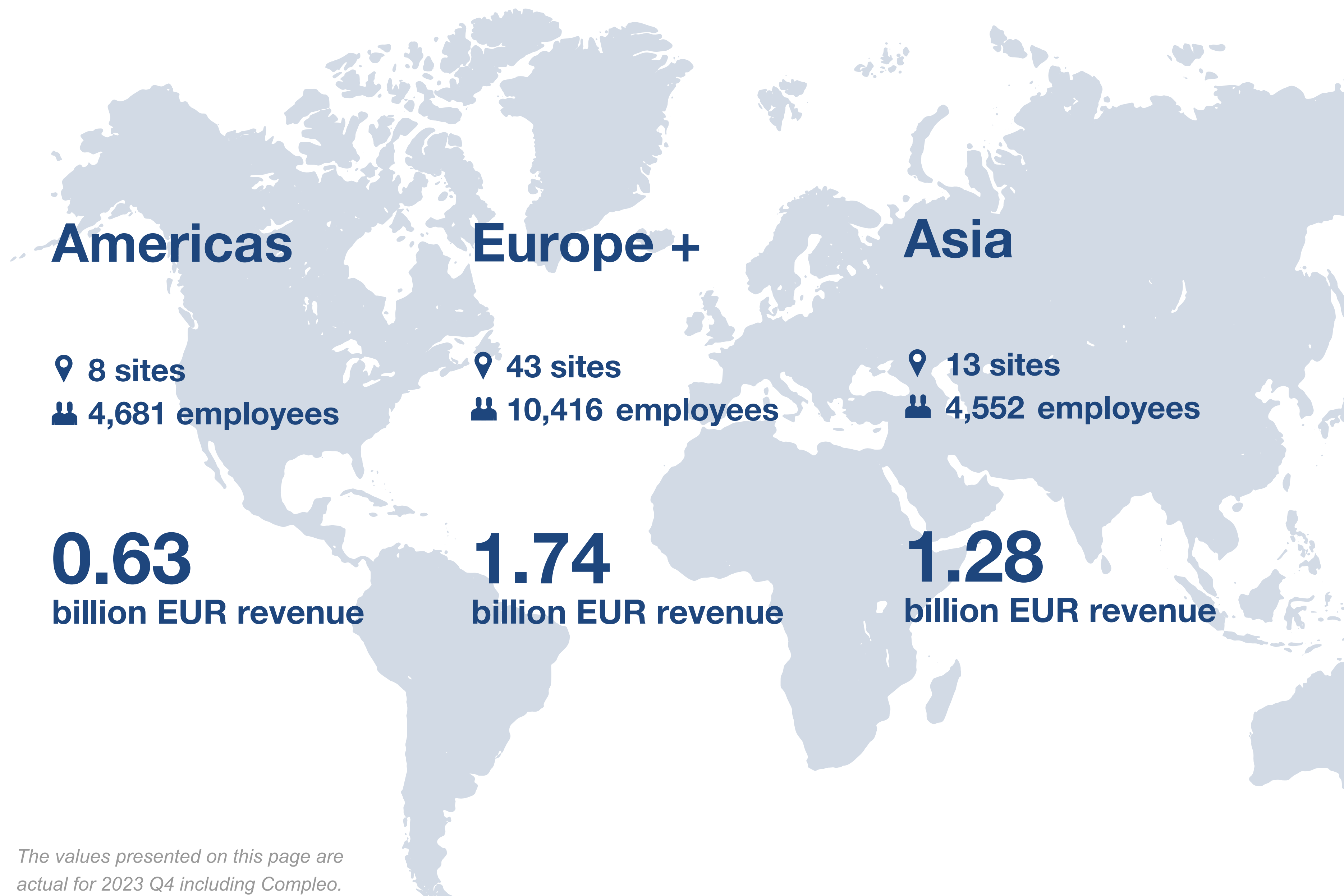
We employ over 19,649 people at more than 64 locations in 24 countries, on five continents, offering flexible, knowledgeable, and customer-focused services. KOSTAL takes customer proximity literally. In 2023, the Group generated sales of 3.7 billion EUR.



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

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





5
divisions

3.7
billion EUR
turnover

6% +
share of R&D
investment

19,649
KOSTAL
employees

The values presented on this page are actual for 2023 Q4 including Compleo.



Family-run for four generations

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

FIRST GENERATION

1912



Leopold Kostal

Electrification

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

We do what is necessary.

SECOND GENERATION

1935



Kurt Kostal

Motorisation

Sustainable ideas unite mankind and nature – all is one.

We form a bond, and the bond is binding.

THIRD GENERATION

1972



Helmut Kostal

Globalisation

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

We do things with feeling.

FOURTH GENERATION

2008



Andreas Kostal

Energy Efficiency

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

We shape the future today.



Our Values

The KOSTAL Values are transmitted into all business divisions but are centrally coordinated. Sustainability is closely linked to our values and is reflected in our people-centred approach ('We have our feet on the ground', 'We are decent', 'We shape the future today').

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



We have our feet on the ground.



We are decent.



We make it easy.



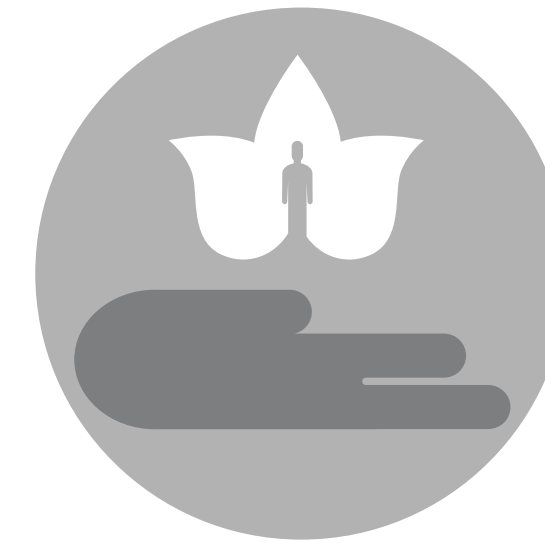
We do things with feeling.



We do what is necessary.



We form a bond, and the bond is binding.



We encourage people to achieve what we expect.



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



What we do, we do with conviction.



We shape the future today.



One family business united by our business divisions



Automobil Elektrik

Energy and Empathy

Energising mobility and embedding people. Two product and innovation cornerstones, but one global team! With KOSTAL know-how in our mechatronic products, and successful collaborations with original equipment manufacturers (OEMs), KOSTAL Automobil Elektrik creates efficient and innovative solutions for electromobility and for driving concepts of the future.

The success of the department is reflected in KOSTAL's position as the global market leader in significant and complex products such as steering columns, as well as shift-by-wire modules and door control units with a market share of more than 30%.

- **Comfort Electronics**
- **Power Electronics**
- **Comfort Controls**
- **Drive Controls**

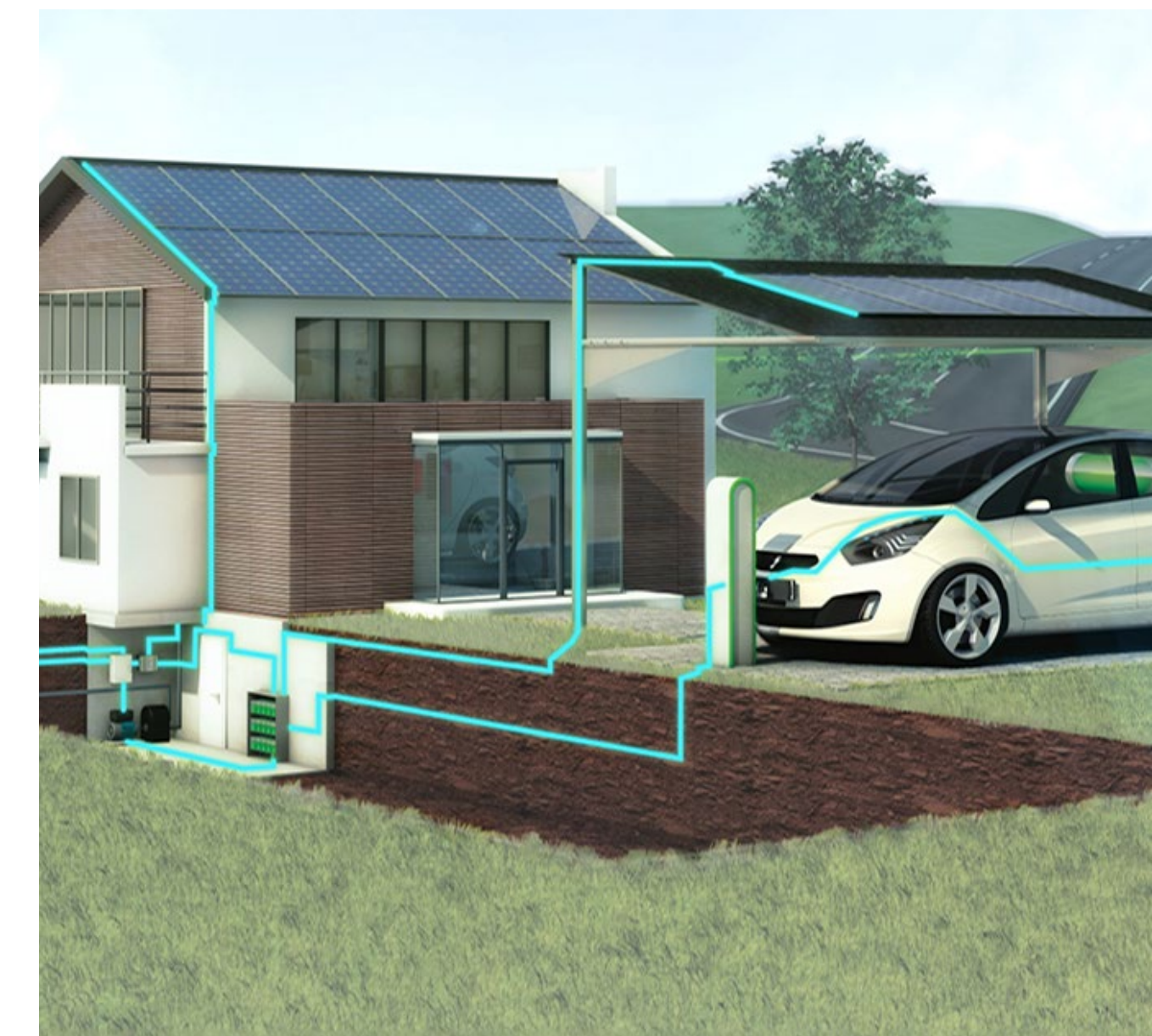
Industrie Elektrik

Smart Connections

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

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

- **Photovoltaics**
- **Drives**
- **Electronics**
- **Charging**





Connectors

New Connector = New Mobility

Since its founding in 1993, KOSTAL Kontakt Systeme (KKS) has focused on the development and production of connectors, primarily for the automotive industry.

With mature system competence, a wide performance range, compact sizes and low weights, high variant diversity and favourable system costs, KKS products always guarantee a good connection with certainty.

- Terminals
- Connectors

Test Technology (SOMA)

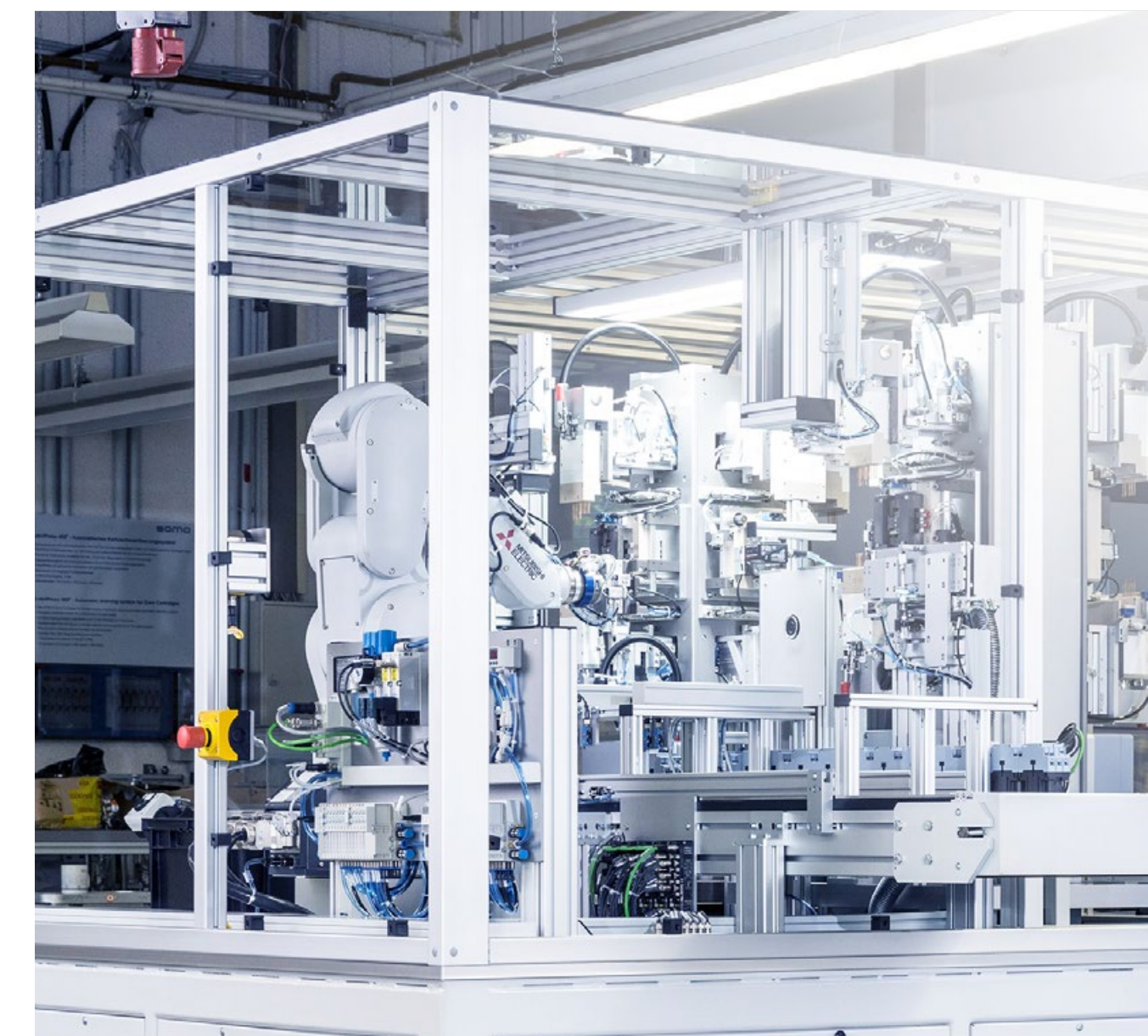
Precision

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

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

SOMA also produces innovative and patented dosing technology for industrial lubricants and digital assistance systems for worker guidance in assembly, production, and packaging.

- Test Technology & Automation
- Dosing Technology
- Worker Assistance





Compleo

Power to Move

In 2023, the KOSTAL Group successfully completed the acquisition of the entire operating business of Compleo Group. In the future, Compleo customers will benefit from the KOSTAL know-how in the expansion of charging infrastructure worldwide. Compleo will remain independent as a brand and company under the umbrella of the KOSTAL Group.

Compleo is one of the leading full-service providers of electric vehicle charging technology in Europe, and it has been a pioneer of electric mobility since its foundation in 2009. It is Compleo's vision to accelerate electric mobility as the most convenient and sustainable way to move forward for everyone.

Compleo products serve as the crucial link between consumers' mobility needs and the transition towards a decentralised, decarbonised energy ecosystems.





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Sustainability governance

We believe that sustainable corporate governance is all about holistic, integrated leadership, management, and supervision, all of which serve the common good, respect the environment and keep our company productive, to make a positive impact for the present and the future generations.

Our corporate governance model guides our company to develop and implement sustainability strategies and operating models, which strengthens management accountability, enabling everyone to get involved, and ensures that our strategic priorities remain aligned with our values and materiality issues.

Our goal is to create a sustainability framework to understand our impact, oversee our sustainability activities at the highest level of decision-making, set meaningful mid- and long-term sustainability goals and ambitions, and focus our actions on issues that really matter.

The strong governance foundation supports KOSTAL Group's ability to maintain an ongoing commitment to sustainability. Leadership engagement and accountability enable us to integrate sustainability principles into our strategy, culture, and day-to-day operation of our Group.





Sustainability Steering Committee

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

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

Group Sustainability Office

Recognising the increasing complexity and stakeholder interest in climate, sustainability, and other ESG issues, in 2022, KOSTAL Group has established a central sustainability unit. This central team is leading ESG strategies and activities in our organisation, coordinating our internal and external sustainability communications, including the sustainability-related disclosure activities at regular cadence, aligned to globally-recognised frameworks, and with customer expectations.

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

The Global Head of Sustainability reports to the Sustainability Steering Committee on a quarterly basis during meetings, where the committee reviews and revises KOSTAL Groups' corporate governance procedures and policies; sustainability policies and programmes; current and emerging environmental, social, and corporate governance issues; trends; regulatory developments; and the sustainability performance of the organisation.

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



“Outstanding environmental performance and tangible positive social impact.

This is our daily mission, motivation, and a truly exciting professional field in today’s world.”



József Böhm, Global Head of Sustainability at KOSTAL Group

Group Sustainability Board

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

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

Divisional Sustainability Boards

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

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



Site Sustainability Teams

The successful implementation of our ESG strategy needs participation and engagement from the entire organisation therefore, we have been focusing our effort on inspiring cross-divisional collaboration on sustainability and developing a Global network of dedicated colleagues.

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

Management systems

The key principles of our ESG management system are integrated into and reinforced by our global policies, procedures, programmes, communications, training and culture. Some of these policies include: our Values, Code of Conduct; Environmental Policy, Health, and Safety Policy; Human Rights Policy; and Responsible Minerals Policy.

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

In order to further demonstrate our commitment to meeting the highest standards, our operations are built on global certifications, such as ISO 9001, IATF 16949, ISO 26262 for Quality, ISO 14001 for Environment management.

Global internal network for site-level actions

In 2023, we established the Sustainability Champions' Community to facilitate regular knowledge- and best practice-sharing activities. This impactful core team drives the execution of KOSTAL Group's sustainability strategy at the respective site level. The community members meet regularly to share know-how, good ESG practices, and sustainability performance.



FROM AMBITION
TO ACTION



Materiality and stakeholder engagement

Our materiality assessment process enables us to identify and prioritise key topics essential for our business and stakeholders, and to focus our strategic activities on key initiatives that have a significant impact, and where we can drive positive change.

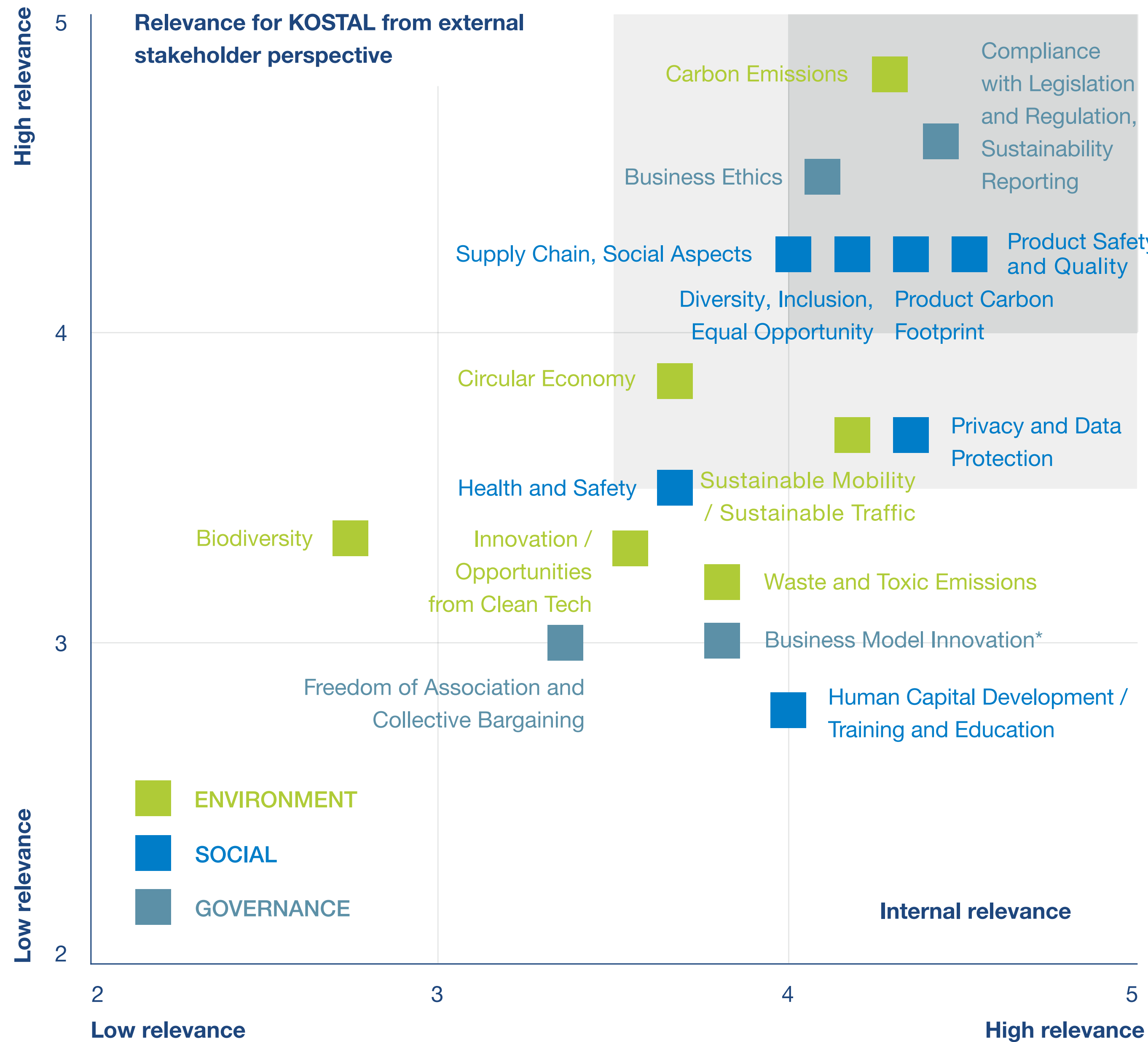
The basic building block of our sustainability strategy is the materiality assessment, which supports our organisation to identify the essential topics relevant to KOSTAL Group. The most recent materiality assessment conducted in 2022 mapped our most relevant environmental, social and business impacts against stakeholders' interests.

The analysis included three steps:

- identification of relevant topics,
- determination of the materiality matrix,
- development connectivity tables for the most important topics, which underline our ambitions, goals and ESG strategies.

As a result of this comprehensive process, we have been able to establish our ESG strategic framework and prioritise and allocate resources to the areas where they were needed the most.





Identification of relevant topics

As a starting point of the analysis, a comprehensive list of topics around environmental, social and governance areas was compiled, drawing from international standards such as GRI, questionnaires like CDP, and benchmarking against competitors. This list was filtered by our Group Sustainability Board for KOSTAL’s specific business model and strategic ambitions, to end up with a list of topics that form the basis of internal and external stakeholder interviews.

Determination of the materiality matrix

With desktop research, we engaged with our external stakeholders, business partners, suppliers, major customers, financial institutions, associations, political stakeholders, and society at large to prioritise material topics based on the strategic importance to the business and stakeholders. These stakeholders were not weighted when accounting for their opinions of ESG topics. The materiality matrix presented shows the ESG topics from the medium-list arranged based on relevancy according to external stakeholders along the y-axis and internal stakeholders along the x-axis. The matrix confirms that crucial topics are embedded in our sustainability strategy and also helps guide our future sustainability endeavours.



Developing strategies for material topics

Based on the materiality assessment, we determined the following six topics to be the most important. These material topics guide and form our ESG strategy, initiatives, and goals:

1. Carbon emissions (including Product Carbon Footprint)
2. Compliance with Legislation and Regulation
3. Product Safety and Quality
4. Business Ethics
5. Sustainable Supply Chains
6. Diversity, Inclusion and Equal Opportunity

The six material topics serve as a robust framework to develop our ESG ambitions, goals, and measure and emphasise our commitment to the United Nations Sustainable Development Goals (SDGs).

KOSTAL Group Sustainability Board recently finalised the six key topics. In the case of four of these topics, we started to outline the overall approach to develop the ambitions, goals, and measures to be taken.

In 2024, our aim is to further improve the materiality assessment process and conduct additional internal and external stakeholder interviews to validate the key topics and the weight of the stakeholders according to their relevance to KOSTAL Group.

This process supported by stronger governance landscape, methods, and tools, will enable us to perform a more in-depth assessment of our impact on people, the environment, and the enterprise. These results will be integrated into our existing risk management processes. Additionally, a closer collaboration between Sustainability and Finance functions will help strengthen our approach to financial impact assessment and third-party limited assurance.

While further progress is necessary, we have taken the fundamental steps to prepare for the upcoming EU Corporate Sustainability Reporting Directive (CSRD) disclosure requirements.





Sustainability strategy

Our commitment to environmental, social, and governance (ESG) principles is fundamental to achieving our shared vision, to make a positive impact now and for the next generations to come.

With a foundation built on traditions of an over hundred-year-old family-owned company, responsibility and sustainability remain central to our corporate strategy. This heritage enables us to lead by example in tackling the broader environmental and social challenges of our planet and society.

With innovations in the field of electric vehicle charging technology, solar inverters, and frequency converters, KOSTAL Group and its business divisions support the global society to decarbonise transportation and electricity generation and to improve energy efficiency.

To successfully meet our ambitions, our corporate ESG governance structure is driving sustainability strategy across the organisation, to foster a strong top-down, bottom-up approach that pulls together all various initiatives and establishes a company culture that integrates sustainability into day-to-day decisions.

The dedication to our sustainability goals and initiatives is apparent in the way we focus our policies and management practices on the environment, society, and our approach to business practices

KOSTAL Group has been a member of the United Nations Global Compact (UNGC) since 2022 and is committed to upholding the Ten Principles, encompassing human rights, labour standards, environmental stewardship, and anti-corruption measures.

Our commitment extends to aligning our efforts with the United Nations Sustainable Development Goals (SDGs), focusing on areas where we can have significant positive impacts on our employees, the communities and the environment we operate.

Our 2030 sustainability commitments elaborate on the United Nations Sustainable Development Goals (SDGs) and serve as a robust framework on our way to a sustainable future.

Our strategy is aligned with our values, with the relevant UN SDGs and answers our material issues.





Our strategic directions are focusing on the areas, where we can make the biggest positive impact

Decarbonisation

Operating our business in an environmentally responsible manner with a constant focus on reducing our CO₂eq footprint in the entire value chain.

Resource efficiency

Using the limited resources of our nature in a responsible way creating more value with less.

Sustainable product

Developing innovative products using sustainable materials and manufacturing processes, and optimising the use of resources.

Our social strategic initiatives put people at the forefront by, considering their health and well-being in all our decisions.

Health and safety

Protecting the health of our employees, preventing accidents, and maintaining physical and mental health.

Diversity

Promoting diversity in the organisation to ensure equal opportunities for all.

Labour and human rights

Taking responsibility for human rights and working conditions within our operation and supply chain. Our strategy related to corporate governance is about creating and maintaining transparency. This is the way we conduct business every day.

Compliance

Robust Compliance and Business Ethics Programme.

Governance

Structure to drive sustainability strategy across the organisation.

Communication and reporting

Implementing programmes to engage employees in our day-to-day sustainability efforts. Transparent reporting regarding the implementation and progress of our sustainability activities.





Sustainability focus areas



- **DECARBONISATION**
- **RESOURCE EFFICIENCY**
- **SUSTAINABLE PRODUCTS**

- **HEALTH & SAFETY**
- **DIVERSITY**
- **LABOR & HUMAN RIGHTS**

- **COMPLIANCE**
- **GOVERNANCE**
- **COMMUNICATION & REPORTING**

Transparency forms the backbone of our sustainability journey and is incorporated into the key principles of our sustainability strategy. We consistently align our sustainability disclosures with external standards, reflecting our commitment to transparency and accountability.

We have established harmonized sustainability reporting activities at a regular cadence aligned to globally-recognised frameworks and with customer expectations. Our annual sustainability report is aligned with the GRI Universal Standards, which can be found on the sustainability page of our corporate website. We submit annual responses to CDP's Climate Change questionnaires and participate in the EcoVadis rating annually, in order to demonstrate to our stakeholders our performance in the four themes: Environment, Labour and Human Rights, Ethics, and Sustainable Procurement.

Aligned with our strategic framework, KOSTAL Group's 2030 sustainability goals are committed to our purpose-driven journey, to a sustainable future.

We focus our efforts on driving sustainability activities and actions throughout the Group and making progress toward these specific, measurable goals. Our main sustainability ambition is to be a carbon-neutral company in our entire value chain by 2045.

“We have laid the foundations of our way to a sustainable future.”



Sustainability Ambitions by 2030



90 %

Renewable electricity at all KOSTAL factories



100 %

ISO 14001 & ISO 45001 compliant factories



100 %

of target suppliers are reporting ESG data



100 %

of target suppliers use renewable electricity



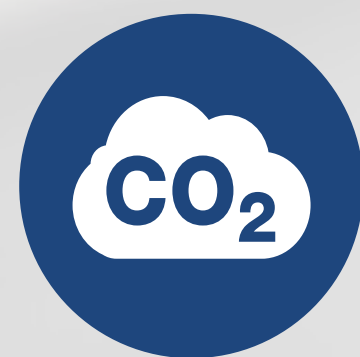
90 %

waste diversion rate in production



25 %

Electricity consumption reduction in production



40 %

GHG Emission reduction in value chain

Aim by 2045



CARBON NEUTRAL



KOSTAL Group receives ESG Transparency Award for first Sustainability Report

On 6 December 2023, EUPD Research, which has specialised in research and analysis for over twenty years, honoured KOSTAL Group with the ESG Transparency Award for sustainability reporting excellence. The awarding ceremony was held in Bonn, Germany.

The Group received the award for professional and transparent reporting on the Group's environmental, social, and governance performance for the year 2022.

EUPD Research has reviewed over 400 sustainability reports and selected organisations that have embraced the challenge of Corporate Social Responsibility and integrated innovative sustainability concepts into their core business strategies.



On the left: József Böhm – Global Head of Sustainability,
Dr. Gregor M. Schmeken – Member of the Board, KOSTAL Group.
On the right: Frank Henn - CEO KOSTAL Solar Electric



FROM AMBITION
TO ACTION



Compliance and ethics

Our over a hundred-year old history and success is built on a fundamental principle: we abide by the law and act with integrity. As a family-run business, we know how to preserve, develop, and pass on a legacy to future generations.

Sustainable business practices that protect the environment and resources, and put people first are key to preserving our legacy perhaps even more so today than in the past. Guided by our corporate values, our ethics and compliance programme drives results through integrity, mutual respect, and accountability. KOSTAL Group is a trusted partner for employees, customers, and suppliers.

We hold ourselves to the highest ethical standards and expect the same from each of our valued stakeholders. We have established robust training, education and communication programmes to ensure that our stakeholders understand the importance of doing what is right and perform in line with our standards. Our compliance commitment defines the way we think and act at KOSTAL Group and whose

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

Our compliance and integrity commitments are built on three key elements:

- Leading by example
- Cooperating with authorities
- Business conduct policies





Leading by example

Our managers are obliged to prevent violations of legal provisions and to adhere to our values in their areas of responsibility and monitor this regularly. They shall ensure that their employees are aware of this, that the rules are observed, and that violations are subject to disciplinary action, irrespective of the employees' hierarchical position in the Group. Our leaders act as role models for employees and inform them about the regulations of the Code of Conduct, discuss principles with them and, together with the Legal and Compliance Department, are available as points of contact. They are in regular dialogue with their employees about compliance.

Cooperating with the authorities

We maintain a cooperative relationship with authorities. As KOSTAL employees, we always fully cooperate with lawful investigations conducted by KOSTAL Group itself and by authorities. Of course, the legal rights of each individual, such as rights to testify and refuse to testify and other procedural rights, remain unaffected.

In 2023, BAFA (German governmental agency supervising the implementation and execution of the German Supply Chain Due Diligence Act [LkSG]) contacted KOSTAL Group regarding the reporting mechanism – as a result of the entering into force of the German LkSG. KOSTAL has successfully provided the detailed information required by BAFA regarding the reporting mechanism under the LkSG.



Business conduct policies

Several important group-wide policies have been implemented to address the identification, assessment, management, and remediation of material impacts related to business conduct matters.

Every KOSTAL employee is required to report possible or actual violations of the provisions of this Code of Conduct, KOSTAL guidelines, or applicable laws through appropriate channels, whether through supervisors, the Legal and Compliance Department or the KOSTAL compliance hotline operated for us by a professional external company.

Any information is treated in strict confidence. Any form of disadvantage or discrimination against KOSTAL employees who have made a report in good faith (and not in an abusive manner) is excluded and will not be tolerated, even if the report later proves to be unfounded.

Every question or concern submitted to the KOSTAL Compliance hotline is triaged and routed to the appropriate team for handling, investigation, and response. Any serious and significant violations are immediately reported to the Compliance Steering Committee. Our Employee Code of Conduct and Supplier Code of Conduct outline our expectations for our own employees and requirements for suppliers.

The Compliance hotline is publicly accessible through our internal channels, website, Compliance platform, and the Compliance app, which are available worldwide.



Prevention and detection of corruption and bribery

As a global company, we acknowledge that corruption is a risk across our operations. KOSTAL Group's Anticorruption and Antibribery Policy and Global Compliance programme enable our Group to manage corruption and bribery risks.

These programmes are updated annually to reinstate our governance structure, update it if necessary, and establish a work plan to actively work with compliance year-round in line with the principles set out in the UK Bribery Act.

Dealing with public officials

Dealing with public officials poses a particularly high risk in terms of bribery due to the strict rules and regulations in many countries.

Public officials include employees of government agencies, but also employees of business enterprises owned or controlled by the government, international organisations, political parties and political candidates.

Our Anticorruption and Antibribery Policy outlines specific provisions regarding dealing and communicating with public officials. The provision of money or anything of value, no matter how small, to a public official for the purpose of influencing them in their official capacity is strictly prohibited.

Data protection and information security

We recognise that data protection and cybersecurity is a key responsibility of our teams at KOSTAL Group and that our success in this area is crucial to prevent negative impacts to our customers, partners, and employees.

Our information security programme and policies are being effectively implemented through procedures and actions across our global operations to provide appropriate protection against modern threats, comply with customer requirements and preserve the safety and integrity of all sensitive data.

Our robust organisational, contractual, and technical measures ensure the privacy and security of all personal data collected, stored, and processed.

The protection of privacy, the protection of personal data and the security of all business information are carried out in compliance with legal requirements. Data is protected against unauthorised access and loss, whereby a risk-appropriate standard is maintained that is technically and organisationally oriented to the relevant state of the art.

Compliance with data protection and information security requirements is always ensured in all business processes.





Further developing our Compliance and Ethics framework

In 2023, we further developed our global Compliance and Ethics programme. We are committed to embedding respect for human rights in the way we do business.

In 2023, a Human Rights Officer was appointed in our organisation, and we established our Human Rights Policy, outlining our commitment to respecting human rights wherever we operate. This includes respecting the labour rights of our own workers and employees in our supply chain and acknowledging important human rights issues, including the rights of Indigenous Peoples, and community engagement.

Our policy has been built on the foundations of several internationally recognised standards and conventions. It supports the following international instruments:

- United Nations Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Discrimination against Women
- ILO core labour standards
- United Nations Guiding Principles on Business and Human Rights (UNGPR)
- OECD Guidelines for Multinational Enterprises
- UN Women’s Empowerment Principles

Where local laws and regulations set lower standards but do not prohibit applying international standards, we abide by the latter. The policy applies globally, and we expect our business relations, both upstream and downstream, to respect human rights within their scope. Our Human Rights Policy is publicly available on the KOSTAL Group webpage and via internal channels.

We know it is important for all employees to feel empowered to raise issues and concerns in their workplace. Therefore we put special emphasis on communications. In 2023, an onboarding video on Ethics and the Code of Conduct and our Compliance programme was launched for the new employees joining KOSTAL Group. To maintain the necessary awareness and focus among our employees, we have developed a Code of Conduct and Compliance Hotline Awareness Flyer, which will be globally rolled out in 2024.

Memberships and associations





Moving along on our compliance journey

We are committed to regularly evaluating and continuously improving our Compliance and Ethics programme. Our ESG compliance strategy focuses on the following key elements.

- Global rollout of the KOSTAL Compliance programme, which provides regular training for employees on business ethics and compliance.
- Establishing a comprehensive ESG risk assessment process to identify and address ESG related regulatory, business, technology, or reputational risks and opportunities.

- Implementing an ESG internal audit process to ensure independent, objective assurance of ESG data and to verify the organisation's compliance with ESG-related internal and external requirements.
- Defining and implementing processes for identification and evaluation of ESG-related legal and other requirement to ensure compliance with all actual and future ESG related regulatory and other requirements.

3,900

employees trained on compliance programmes

24

reported compliance concerns in 2023

1

verified compliance concern in 2023





Honours and awards

KOSTAL is Hyundai’s Supplier of the year 2023

KOSTAL (Shanghai) Management Co., Ltd. received the award “Supplier of the Year 2022” from Hyundai Motor Group at the Global Supplier Day in Montgomery, USA on the 23rd of March, 2023.

Since the beginning of the business relationship, Hyundai Motor Group awarded KOSTAL for the first time in the Supply Chain Management category. KOSTAL is recognized as a trusted partner that provides a reliable supply chain even in difficult situations such as a global pandemic.

KOSTAL Shanghai receives “Solidarity & Mutual Assistance” award from Beijing Benz

KOSTAL (Shanghai) Management Co., Ltd. received the award “Solidarity & Mutual Assistance” from Beijing Benz Automotive Co., Ltd. at Annual Supplier Day in Nanjing City, China on the 18th of May, 2023.

Beijing Benz awarded KOSTAL due to the outstanding contribution for their production supply in the past three years under both Covid-19 and chip shortages double challenge. Based on the common evaluation of Mercedes-Benz Group China and Beijing Benz Automotive team KOSTAL was recognised as a trusted business partner.

KOSTAL Morocco honoured with the renowned Ford Q1 certificate

KOSTAL Morocco received the prestigious Ford Q1 award on the 1st of November, 2023. The award is Ford’s highest supplier recognition and is the result of a continued commitment to quality and excellence. This success could only be achieved through the hard work, dedication and team spirit of all employees.

KOSTAL is Moto Honda’s Best Supplier 2022

On the 17th of May, 2023, Moto Honda awarded its best suppliers of the year 2022, in an event held in Manaus, Brazil. In recognition of its outstanding performance, KOSTAL was awarded in the category “Gold – Best Supplier”. This prize was only given to eight suppliers.

KOSTAL has secured the 75th position in this exclusive ranking by Automobilwoche

KOSTAL has secured 75th position in the exclusive ranking by Automobilwoche. In its July 2023 issue, the leading magazine Automobilwoche publishes a ranking of the 100 top-selling automotive suppliers worldwide in 2022.

KOSTAL is delighted with this placement, which has been achieved together as One KOSTAL Team.





Environment

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Environmental sustainability



The scale and gravity of climate change make appointing of large-scale environmental measures urgent. Climate change has severe consequences for society as a whole and the quality of human life. As a global manufacturing company with a substantial supplier base, and with millions of customers using our products, we have a significant impact on the environment.

We are taking strategic steps to protect life on Earth by minimising our emissions and improving our resource efficiency, and we expect the same vision from our suppliers. To achieve our commitments, we act with care throughout the whole product lifecycle: when we design and manufacture our products, when we choose our resources and energy, when we manage our waste emissions and air pollutants, and when we select our suppliers.

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

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What we do for environmental sustainability

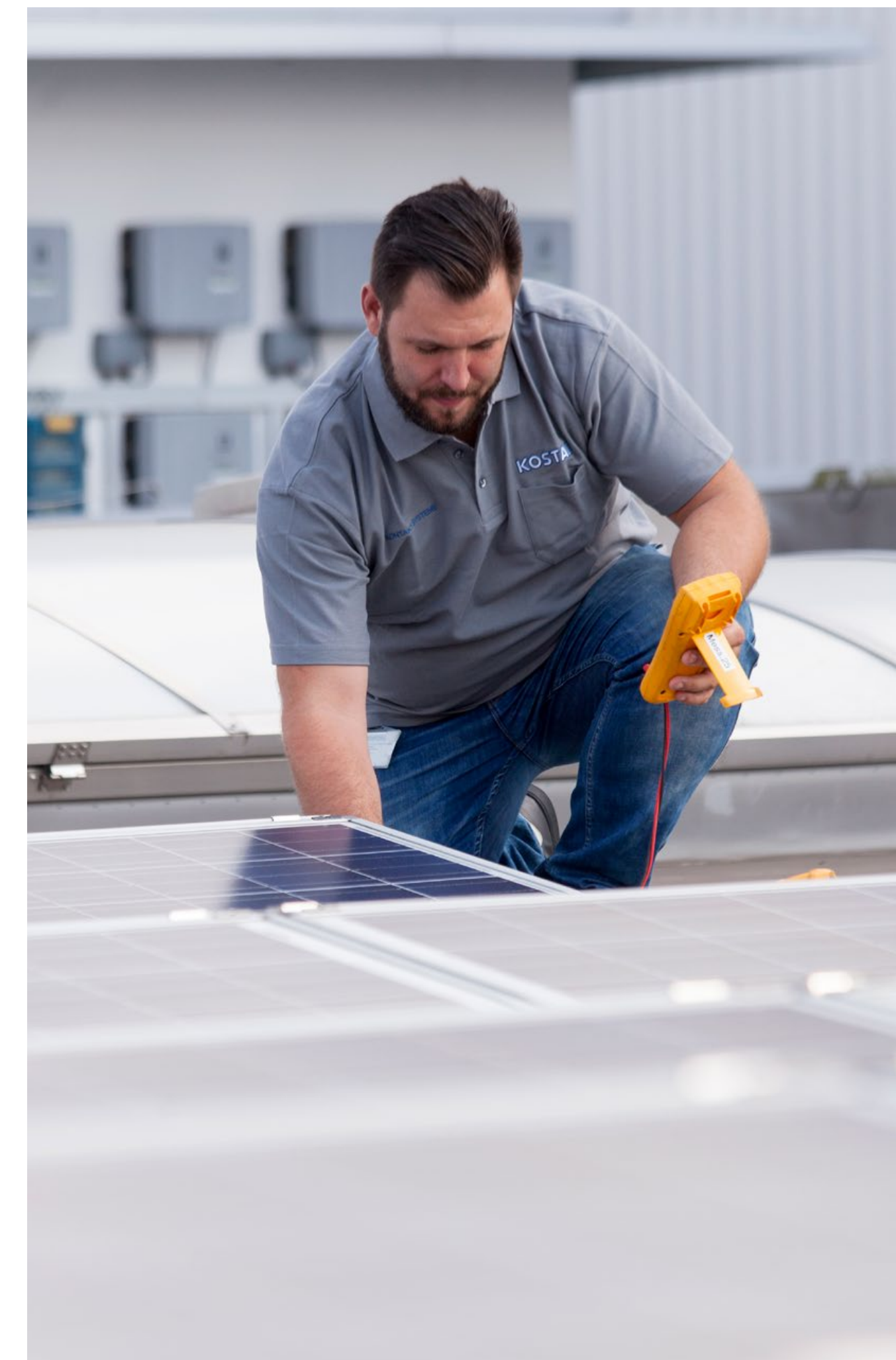
- Develop innovative products while keeping sustainability in mind.
- Use sustainable materials and manufacturing processes.
- Work towards carbon emission reduction to be a carbon-neutral company by 2045.
- Reduce our energy consumption and fossil fuel intake.
- Increase the use of renewable electricity at our operations and in our supply chain.
- Continuously improve our resource efficiency.
- Working towards a circular economy by minimising waste and closing the loop.
- Partnering with our suppliers on our sustainability ambitions.

Our environmental strategy, aligned with the results of the materiality assessment, is focused on decarbonisation (including product carbon footprint), resource efficiency, and sustainability in product design.

We have identified key performance indicators (KPIs), enabling us to manage our performance and disclose metrics. These metrics include measuring our energy consumption, CO₂eq emissions, water usage, total waste generation, and waste disposal performance.

What we do for environmental compliance

- Operating our business in compliance with all applicable laws and regulations.
- Define clear targets for environmental impact reduction for ourselves and our suppliers.
- Implement processes to assess our environmental impacts across our value chain and define strategies and initiatives to achieve our targets.
- Integrate environmental aspects in our supplier risk assessment and supplier qualification strategies.
- Implement internationally recognised environmental management systems and independently certify our manufacturing operations.
- Engage in local environmental projects with the help of local representatives of sustainability (Sustainability Champions) in bottom-up and top-down approaches.





Environmental performance achievements in 2023

10.7 % reduction in GHG emission intensity (Scope 1 & 2) compared to 2022, which supports our ambition of Carbon Neutrality by 2045.

11 % reduction in energy intensity compared to 2022.

8.6 % reduction in waste intensity compared to 2022.

14.1 % reduction in water intensity compared to 2022.

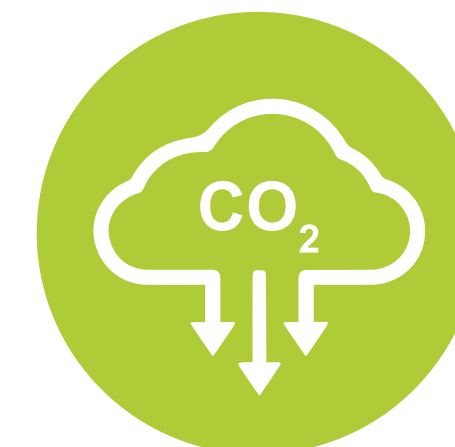
- New product designs/materials/processes.
- Established an employee resource group at a site-level, called Sustainability Champions community to collect data, share know-how and good practices, and foster a diverse, inclusive working environment.

In 2023, we continued to enhance our transparency and accountability and established clearer sustainability metrics reporting and data collection process within our organisation. We can track ESG performance and identify risks during the year with quarterly data collection. Also, the sustainability governance teams can review and act upon the progress during the year.

Environmental transparency is of the highest importance for KOSTAL, so we are disclosing our environmental impact through the Carbon Disclosure Project (CDP), a global non-profit that runs the world's leading environmental disclosure platform. In 2023, KOSTAL Group completed CDP's Climate Change questionnaire among 23,000 companies.

The disclosure helps to identify and manage environmental risks, so there are clear targets to improve our performance.

KOSTAL received a C ranking on the questionnaire: industry and global average. Compared to last year's results, this is an important step forward. However, there is still space for improvement, and KOSTAL is determined to reach level B, above the industry average in the upcoming years.



10.7 %

reduction in GHG emission intensity in 2023



We are developing a collaborative approach with our suppliers, aiming to set out expectations and support opportunities in an adequate and effective way. We aim to meet our ambitions: all our supplier partners report on sustainability-related data, and use renewable energy. Furthermore, we are updating the Supply Chain Code of Conduct with accurate environmental and social responsibilities.

In 2024, industry-standard data reporting software will be used globally to help collect and manage sustainability-related data. We will establish group-level sustainability-related disclosure processes in EcoVadis.

A product carbon footprint calculation system will be established. We will continue to publish an annual ESG report to provide a comprehensive overview to our stakeholders, regarding our ESG performance and actions covering all business divisions of our company.

“It is fascinating to see how much influence you can have on the sustainability of a product during its development, because the choice of materials and technologies for a new product is key to how sustainable the product will be during its lifetime.”

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





Decarbonisation

For most manufacturing companies in the industry, decarbonisation stands at the top of environmental ambitions because greenhouse gas emissions, especially the element CO₂, are most closely linked to causing the shocking acceleration of climate change.

Our group operates globally, and we focus on reducing the carbon footprint of our products, factories, and offices. We also partner with suppliers who make strategic steps to reduce their carbon emissions. The ultimate goal for KOSTAL is to become carbon neutral by 2045. The key to addressing decarbonisation is to measure our impact—set KPIs to identify the composition of our carbon footprint and the areas of major emissions. In 2022, with the assistance of an external consultancy, we have identified our Scope 1 and Scope 2 GHG emissions, in line with the requirements of the Greenhouse Gas Emission protocol, which will henceforth be referred to as the base year.

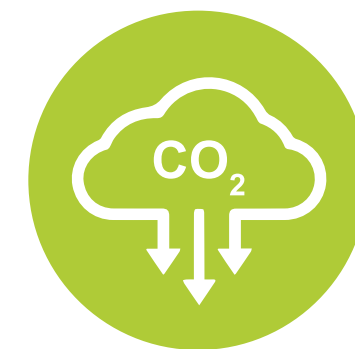




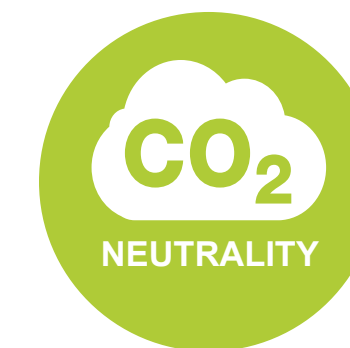
These commitments drive our collective actions regarding decarbonisation.

According to the Scope 1 and Scope 2 GHG emissions calculation, we identified that the most important element in sustainable manufacturing is optimised energy consumption, especially the electricity consumption of our manufacturing locations. Keeping this in mind, we focus our efforts on renewable energy generation by sourcing renewable energy, which also reduces our risk of exposure to dependence on fossil-based energy and fosters resilience throughout our operations.

Decarbonisation ambitions:

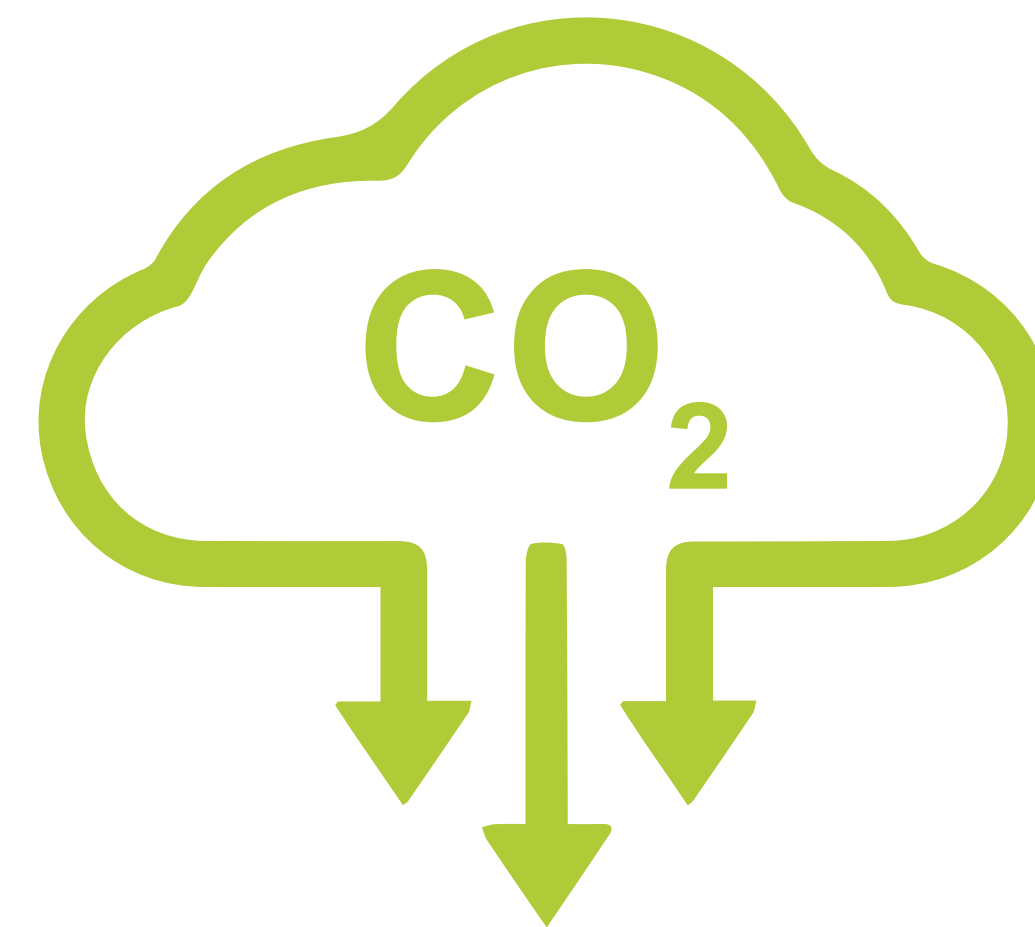


40 %
Reduction of our carbon emission on the value chain by 2030



Achieving carbon neutrality in the entire value chain by 2045

SCOPE 1
8,396 t
CO₂eq 2023



SCOPE 2
58,674 t
CO₂eq 2023



Decarbonisation performance achievements in 2023

- **10.7 % reduction in GHG emission intensity (Scope 1 & 2) compared to 2022, which supports our ambition of carbon neutrality by 2045. The annual reduction plan for 2023 was 2 %.**
- 35 % renewable electricity share, connecting to our ambition to reach 90 % renewable electricity by 2030.
- Started the process of evaluating on-site power generation possibilities on all our manufacturing locations globally and reviewing the financial feasibility of these projects.
- Started the process of evaluating on-site fossil fuel use at our sites and defining substitution strategies.
- Investigating opportunities for renewable electricity sourcing within the geographic market boundaries where our sites are operating.

While we have made significant strides, the urgency of the climate crisis compels us to move faster. In 2024, the goal is to continue the progress in reducing our carbon emissions.

Greenhouse Gas Emissions do not only result from manufacturing operations. Transitioning our fleet to emission-free vehicles will propel KOSTAL towards its goal of carbon neutrality. Our objective is to ensure that all newly-acquired corporate vehicles are emission-free by 2030, aligning with our sustainability ambitions.

Partnering with our suppliers for GHG reduction

In 2024, we are moving forward with understanding our supply chain impacts, and supporting and encouraging existing and new supplier partners to take huge leaps on their sustainability journey.

With calculating our Scope 3 emissions, evaluating our target suppliers via EcoVadis IQ, and integrating sustainability into our procurement processes.

We deliver supplier dialogues and actively share our ESG targets and ambitions with our key suppliers to ensure that they are reporting KOSTAL-specific GHG emissions and ESG performance and to engage our target suppliers in using green electricity for products they deliver for KOSTAL.

More details about supply chain sustainability on [page 82](#).





Photovoltaic systems of KOSTAL products provide green energy to our facilities worldwide



Moving along on our journey to sustainable manufacturing, our facilities in Spain, Italy, Hungary, and China can now use solar energy to cover the majority of their energy consumption, thanks to solar system installations made in 2023.

The altogether 1,580 kWp installations contribute to the avoidance of approximately 900 tonnes of CO₂ emission annually. This initiative enables us to reduce our environmental impact and to make progress in reaching our ambition to cover at least 90 % of the total electricity usage of our global manufacturing sites from renewable sources by 2030.

Using our KOSTAL products to develop solar energy to cover a significant percentage of our energy consumption in our offices and factories became one of our best practices.

We strive to continue this practice at more KOSTAL locations; hence our energy consumption, especially the electricity consumption of our manufacturing locations, is responsible for a large share of our Scope 1 and Scope 2 greenhouse gas emissions.



FROM AMBITION
TO ACTION



Our views on carbon offsetting

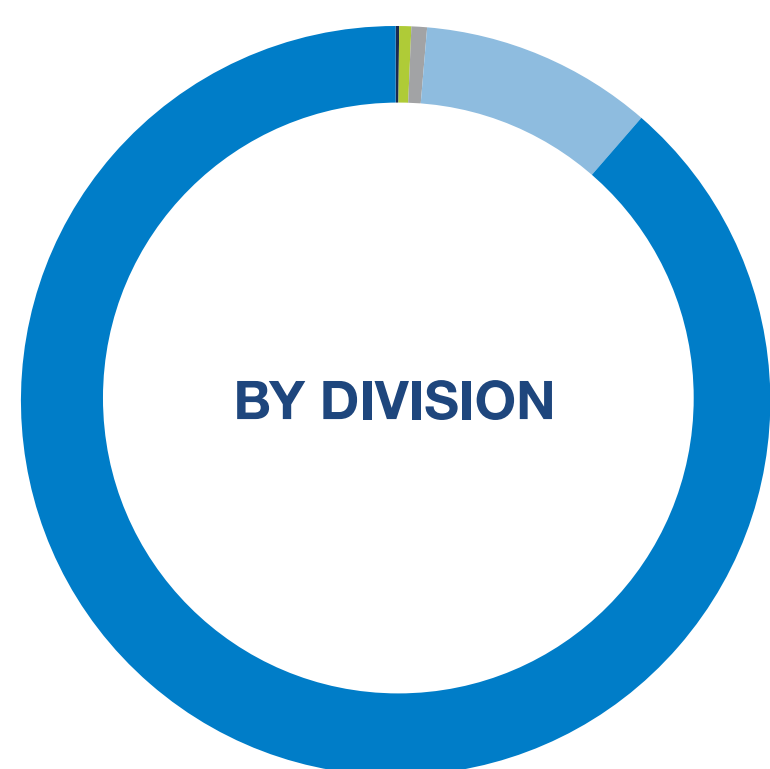
Carbon offsets, which offer companies the means to counterbalance their own carbon emissions by supporting projects that reduce or prevent emissions elsewhere, are experiencing rapid advancements in both technology and regulation. Several companies have already been actively using carbon offsetting to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

At KOSTAL, we consider carbon offsetting as a measure of last resort in our journey towards climate neutrality. Instead, we focus our activities on reducing the emissions we can mitigate, either directly or indirectly.

Our approach to carbon management follows a strategic path. Initially, we prioritise enhancing the efficiency of our processes and technologies to reduce energy consumption. Subsequently, we strive to meet our energy requirements through renewable sources.

At KOSTAL, we consider carbon offsetting as a measure of last resort in our journey towards climate neutrality. Instead, we focus our activities on reducing the emissions we can mitigate, either directly or indirectly.

TOTAL SCOPE 1+2 EMISSIONS 2023

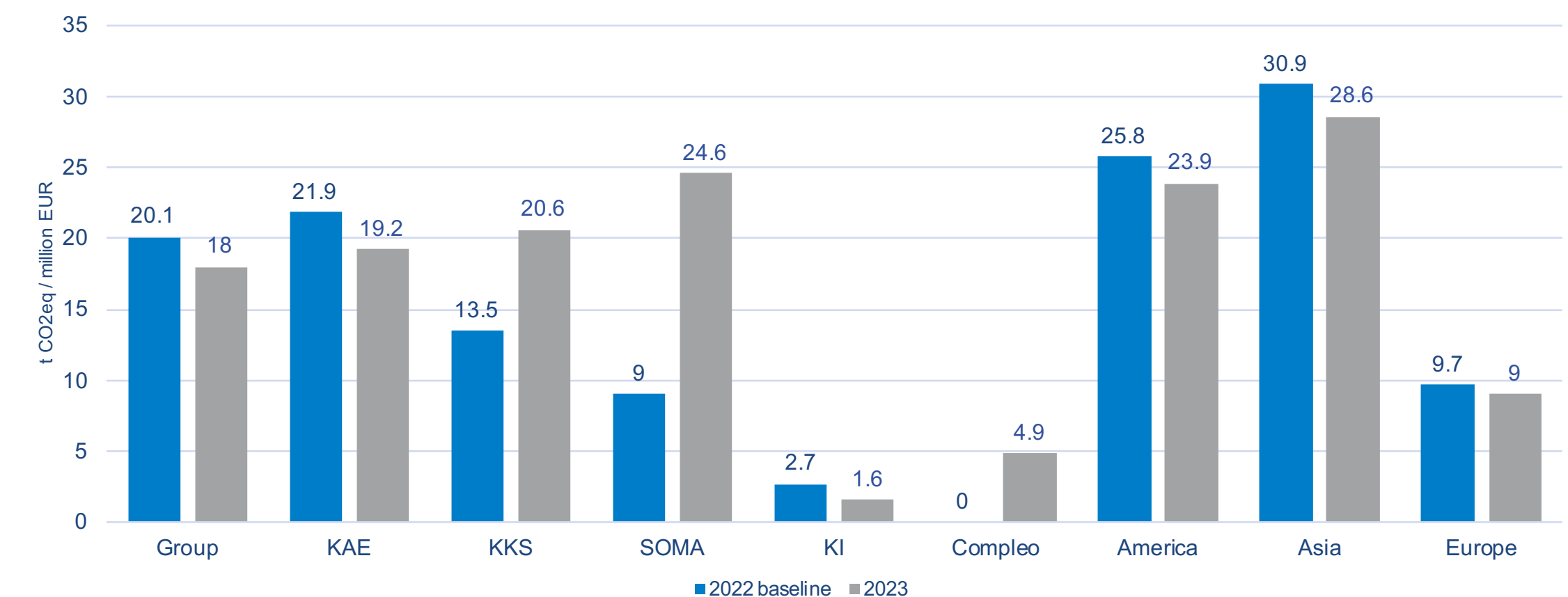


- 0,15 % SOMA
- 0,52 % KI
- 0,67 % Compleo
- 10,04 % KKS
- 88,58 % KAE



- 22 % America
- 23 % Europe
- 54 % Asia

CARBON INTENSITY BY DIVISION AND REGION 2022 BASELINE AND 2023 [t CO₂eq / million EUR]





Resource efficiency

Although the world's natural resources are limited, they are being consumed at ever faster rates by a growing global population. The unsustainable use of resources has triggered critical scarcities and caused climate change and widespread environmental degradation – all of which have negative impacts on the well-being of the planet and people.

Conservative use of globally available resources is a key challenge for business, politics, and society. It is necessary to achieve a balance between the utilisation of scarce resources and the necessity of expanding economic growth and therefore resource efficiency is one of the cornerstones of our sustainability strategy.

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

At KOSTAL Group, we established our strategy to achieve resource-efficient production processes at all our manufacturing locations. As part of our sustainability and operational efficiency efforts, with our innovation-driven approach, we drive energy efficiency, water consumption reduction, and material efficiency in our own operations, and also in our supply chain.

Using the resources wisely enables us to create more value with less input.





Heat pump in Timberg increases energy efficiency

Our factory in Lüdenscheid Timberg will drastically cut its carbon emissions as a result of a new heat pump.

From the end of 2023, this new heating system with a capacity of 600kW utilises the waste heat from the production processes and makes the site as a whole much more efficient with its energy consumption. It is estimated that this new technology can reduce carbon emissions for heating purposes by over 90%.

KOSTAL is committed to only purchasing green electricity at all German sites. With energy efficiency measures finishing at Timberg in 2024, the site will cut its Scope 1 and Scope 2 emissions almost entirely except for its fleet, which is on its way to getting further electrified (currently at 44%) to reach our emission ambitions.



FROM AMBITION
TO ACTION



Energy consumption

On our journey to carbon neutrality, we recognise the environmental impact our operations have, including that generating the energy required to operate our facilities results in greenhouse gas emissions.

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

In order to reduce our impact on climate change, we focus on optimising the energy use of our operational activities, which will improve our energy efficiency and may result in savings in overall energy costs.

While we focus our operation efforts on optimising our energy intake, we continue to see growth in production volumes. We also increased our global presence in 2023, by acquiring Compleo, one of the leading full-service providers of electric vehicle charging technology, which only resulted in a 1.7 % increase in our total energy consumption.

In order to improve energy efficiency throughout the organisation, we set interim goals to reduce energy consumption. Our objective is to decrease the amount of energy used relative to our revenue by 25% by 2030. To achieve this ambitious target, we need to improve in reducing our energy intensity by 4% year on year by 2030.



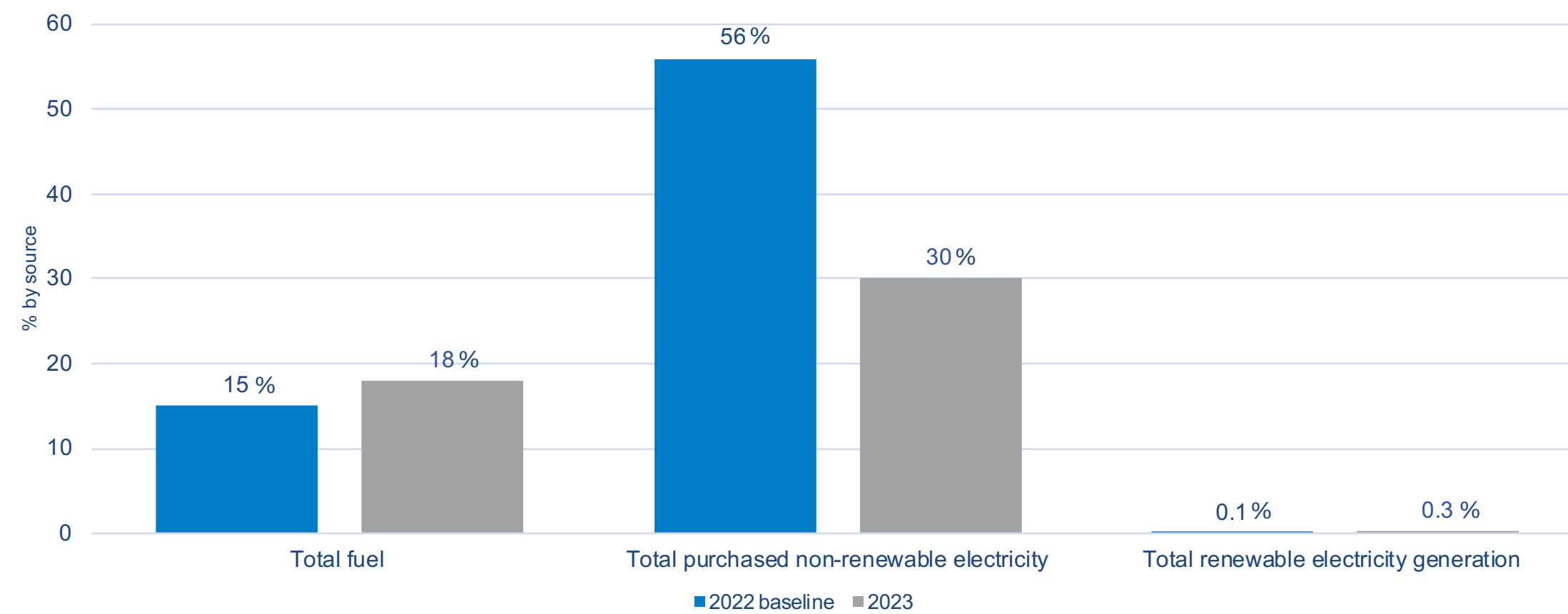


What we do to reduce our energy consumption

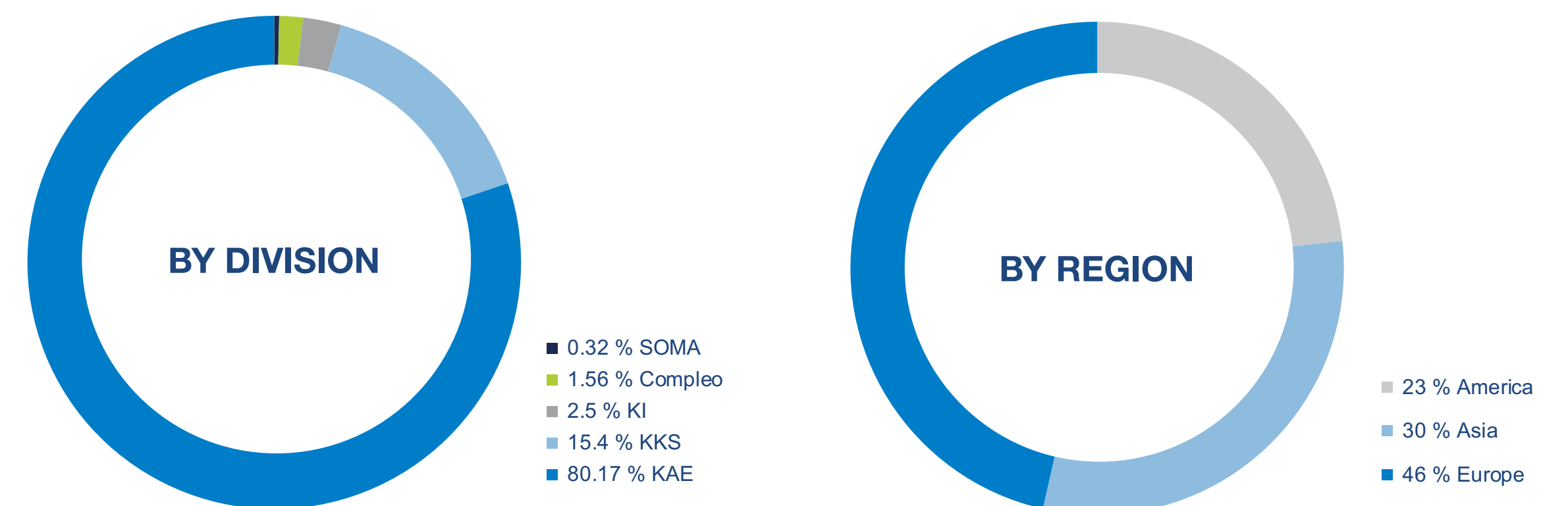
- Improving the efficiency of systems by identifying and implementing energy consumption reduction opportunities.
- Identifying and implementing energy efficiency requirements and performance criteria for production technology or machinery and buildings.
- Implementing energy consumption monitoring and building automation systems at our manufacturing sites.
- Benefiting from synergies by sharing and implementing energy efficiency best business practices within the organisation.



TOTAL ENERGY CONSUMPTION BY SOURCE



TOTAL ENERGY CONSUMPTION 2023

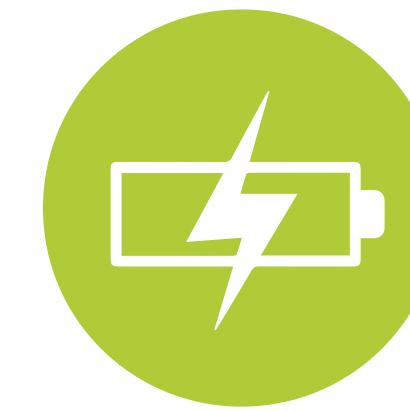




Resource efficiency achievements in 2023

- We established energy efficiency-related key performance indicators.
- By using our standardised sustainability metrics reporting and data collection process, we are able to stay focused on our goals, measure our energy efficiency, and monitor it regularly.
- By mobilising our operational energy management and reduction-strategy, various energy reduction projects have been implemented globally.
- Via implemented energy reduction measures, our energy intensity has been decreased by 10 %.

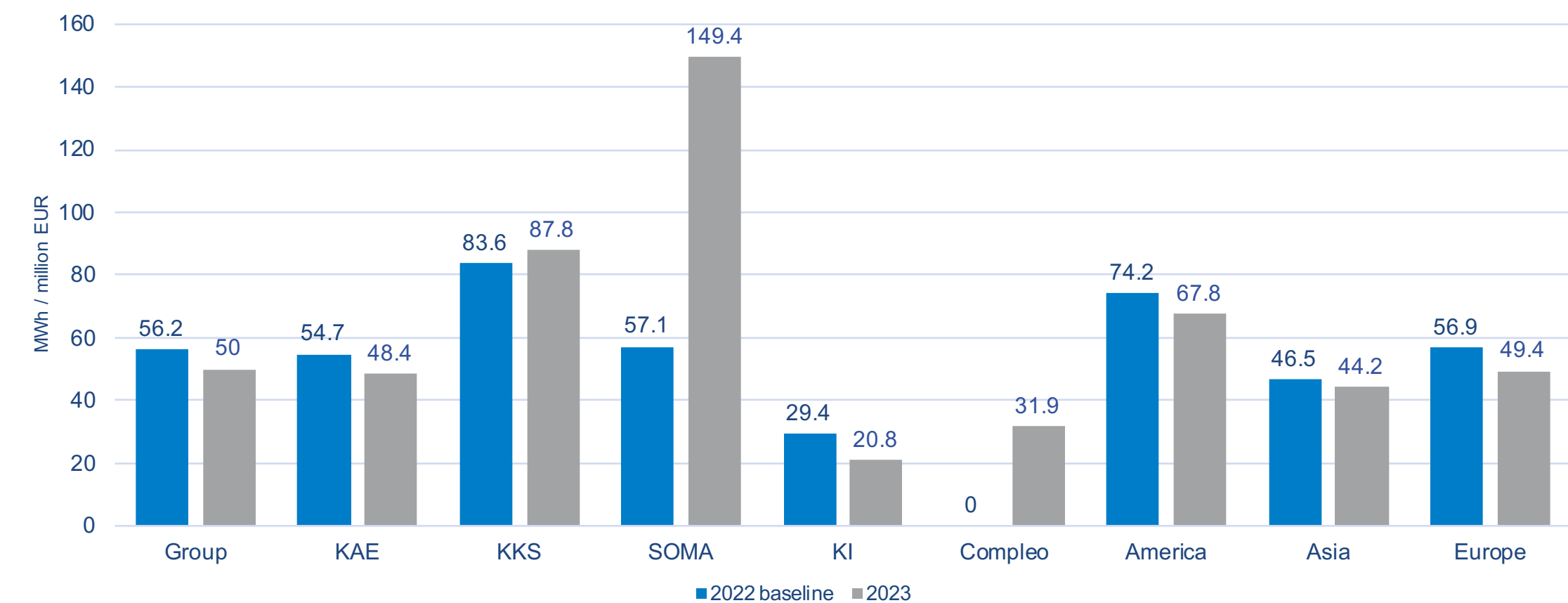
To ensure that we take a systematic approach to energy management, all global KOSTAL manufacturing locations should establish facility-specific energy management programmes and metrics. A supporting tool, Econ Solutions, is available for all sites to monitor real-time energy consumption of utilities allowing operations to identify possible energy-saving activities with qualitative data.



10 %

energy intensity reduction in 2023

ENERGY INTENSITY BY DIVISION AND REGION 2022 BASELINE AND 2023 [MWh/million EUR]





Energy consumption reduction in KOSTAL Ireland

KOSTAL Group's global initiative, 'RACE Energy Reduction' aims to support projects that reduce site energy consumption.

Focusing on all areas for possible energy savings within KOSTAL Ireland, the ongoing project's estimated savings have been worth 160,000 EUR. The RACE team identified areas of high energy usage and targeted these areas to reduce energy use. They reviewed the amount of energy used for production and maintenance and identified opportunities for improvement.

Several of the planned projects have already been implemented, and the following solutions have been adopted:

- weekend power-down has been implemented
- specific machines are shut off when not in use
- turning off of compressed air and nitrogen
- high-visibility communication campaign
- signage
- Employee Suggestion Scheme
- potential grant aid for facility improvements and upgrades, i.e. LED lighting



*Picture of Race Team, from left to right:
Robert Cummins - Technical Supervisor, Manufacturing,
Pat Houlihan - Facilities Supervisor,
Tracey O'Mahony – EHS Manager,
Alan Dee – OPX Facilitator.*



FROM AMBITION
TO ACTION



Waste

When it comes to waste management, our primary goal is simple: we are focusing on eliminating the generation of waste from our operations.

In the meantime, knowing that it is impossible to entirely avoid the waste production, we are working on closing the loop. While designing our products and optimising our manufacturing processes, we are seeking out materials that can be reused or efficiently recycled.

We also utilise manufacturing processes that limit the amount of waste generated.

We are committed to diverting waste from landfills to avoid atmospheric and groundwater pollution and waste-transport-related emissions.

Keeping in mind that our impact goes beyond our own operations, our waste mitigation efforts are not limited to our production processes, such as managing raw materials, but we also make an impact throughout the value chain.

Where possible, we prevent waste generation in our production cycle by practising reuse and waste diversion. We recognise, however, that total waste elimination is not always feasible.

Where unavoidable, we ensure that our waste disposal practices comply with all applicable regulations and best practices. At our locations where waste is generated, we always comply with the site-specific legal, social, and environmental regulations to dispose of waste responsibly.

Our goal is to reduce our waste intensity by 4 % year on year and to achieve a 90 % waste diversion rate on all our manufacturing sites by 2030.





What we do to improve our waste management practices

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

Our waste reduction strategy builds on the following principles

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



71 %

waste diversion rate in manufacturing



Waste-related achievements 2023

- We defined waste-related performance indicators to understand our progress in minimising waste.
- We regularly review the amount of generated waste, as well as the amount of waste that is diverted from landfills for reuse and recycling.
- As a result of our global waste reduction efforts, our waste intensity has been reduced by 8.6%.
- Thanks to focusing on circular economy practices, our waste diversion rate was 71 %.

Moving forward, we are spearheading a holistic approach to reducing waste globally, emphasising global collaboration, best practice sharing, education, enhanced resource management, and promoting more sustainable disposal methods.

The use of hazardous materials in production and operations is subject to strict legal and industry regulations. Under the umbrella of our ISO 14001 Environmental Management System, we perform regular audits of our chemical management processes to verify our compliance with external and internal requirements. Reducing the amount of chemical substances used by our manufacturing sites not only mitigates the impact of those materials but also supports our ambition to reduce the amount of hazardous waste generated.

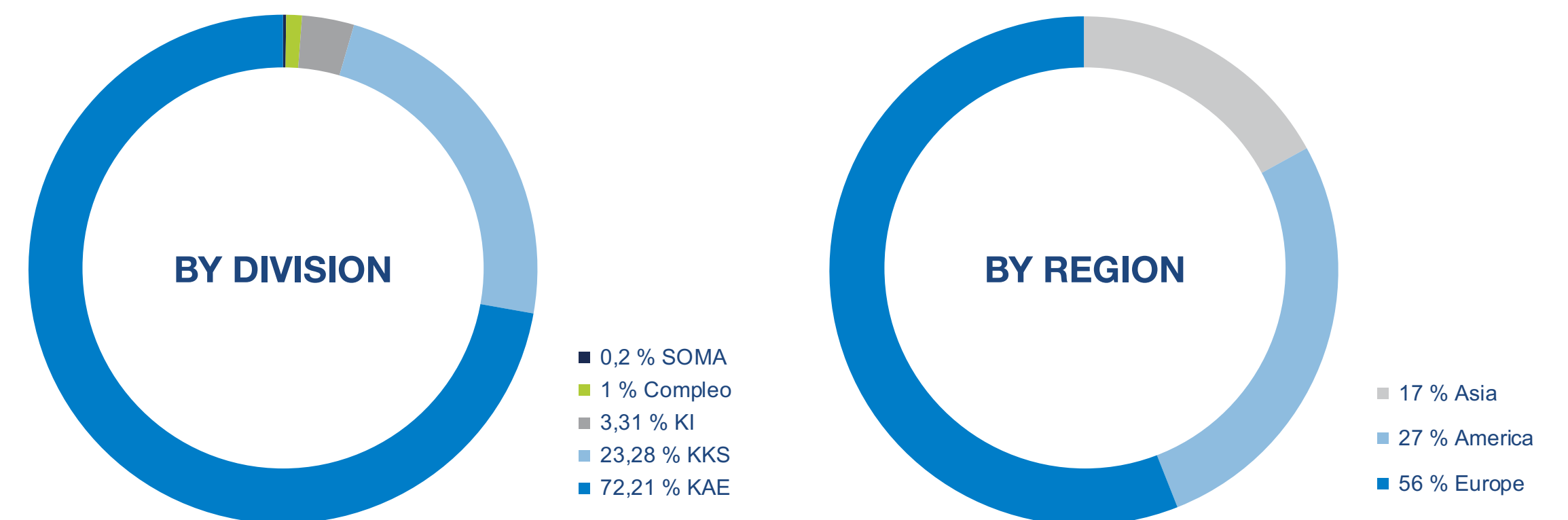
KOSTAL manufacturing locations are actively working on reducing the number of hazardous substances used by regularly analysing materials and looking for less harmful alternatives.



8.6 %

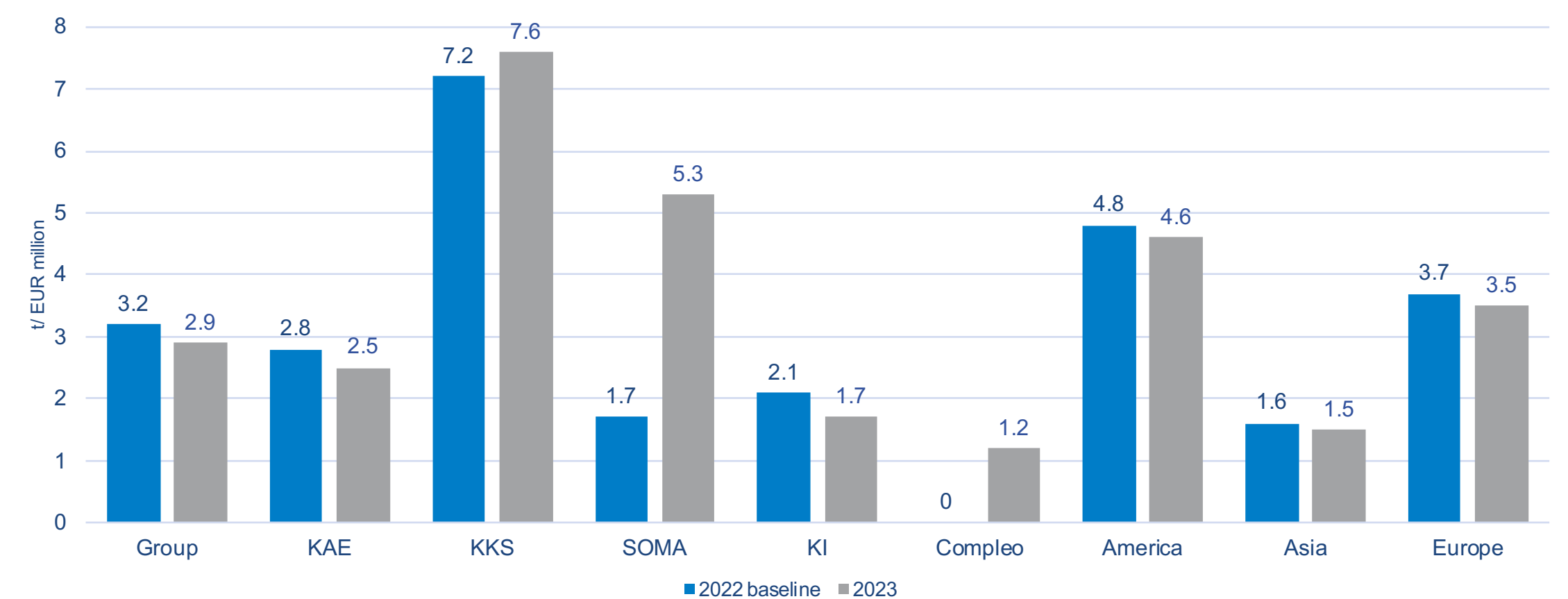
reduction in waste intensity

TOTAL WASTE GENERATED 2023



WASTE INTENSITY BY DIVISION AND REGION

2022 BASELINE AND 2023 t/EUR million





E-waste weeks to emphasise the importance of recycling

In 2023, a global employee engagement campaign was organised to raise awareness of an essential environmental topic: the worldwide increase of electronic waste and the importance of recycling.

The event was held at multiple locations. The goal was to help employees eliminate unused or broken small household electronic devices with a community collection. Approximately a tonne of waste was collected worldwide. The campaign also had an educational purpose regarding purchasing, treating, and disposing electronic waste. Multiple creative programmes were held on this matter.

KOSTAL Hungary joined this global campaign in November 2023. During these weeks, the office announced an e-waste collection competition for our colleagues. They could also participate in an exciting presentation by a local university professor about the global problem of e-waste and the possible

solutions. Our Brazilian colleagues organised the e-waste collection for themselves and the city of Cravinhos to ensure the correct e-waste disposal. Our sites in Germany called the campaign 'Schrott ist Gold wert' (scrap is worth gold), emphasising the value of electronic waste. Their creative ideas and effort resulted in more than 500 kg of household e-waste collected.

In Morocco, our site has partnered with leading local institutions in environmental studies and renewable energy to foster a long-term partnership to explore solutions to reduce and recycle the site's e-waste.



FROM AMBITION
TO ACTION



Water

Fresh water is a finite and vulnerable resource that sustains life, requiring effective water management.

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

To successfully manage this essential resource, joint efforts are needed by all global stakeholders to build resilience against climate change and to serve a growing population. The manufacturing operations of KOSTAL do not require a significant amount of water input as our primary water usage is mainly related to domestic purposes in our buildings. We draw water from municipal sources at most of our facilities and discharge wastewater to public treatment systems.

As an important element of our environmental sustainability strategy, we are committed to using water responsibly. To achieve our ambitions we review the water scarcity at each of our facilities, regularly review the water consumption of our locations and implement water reduction activities, especially in facilities that are located in high-risk areas.





What we do to reduce our water withdrawal

- Analyse issues of water scarcity at each of our facilities.
- Measure water consumption of key site activities.
- Analyse water consumption results and benchmark these within KOSTAL facilities and within the industry benchmarks to identify opportunities for improvement.
- Further explore approaches to improve current water consumption at sites located in water-scarce areas.

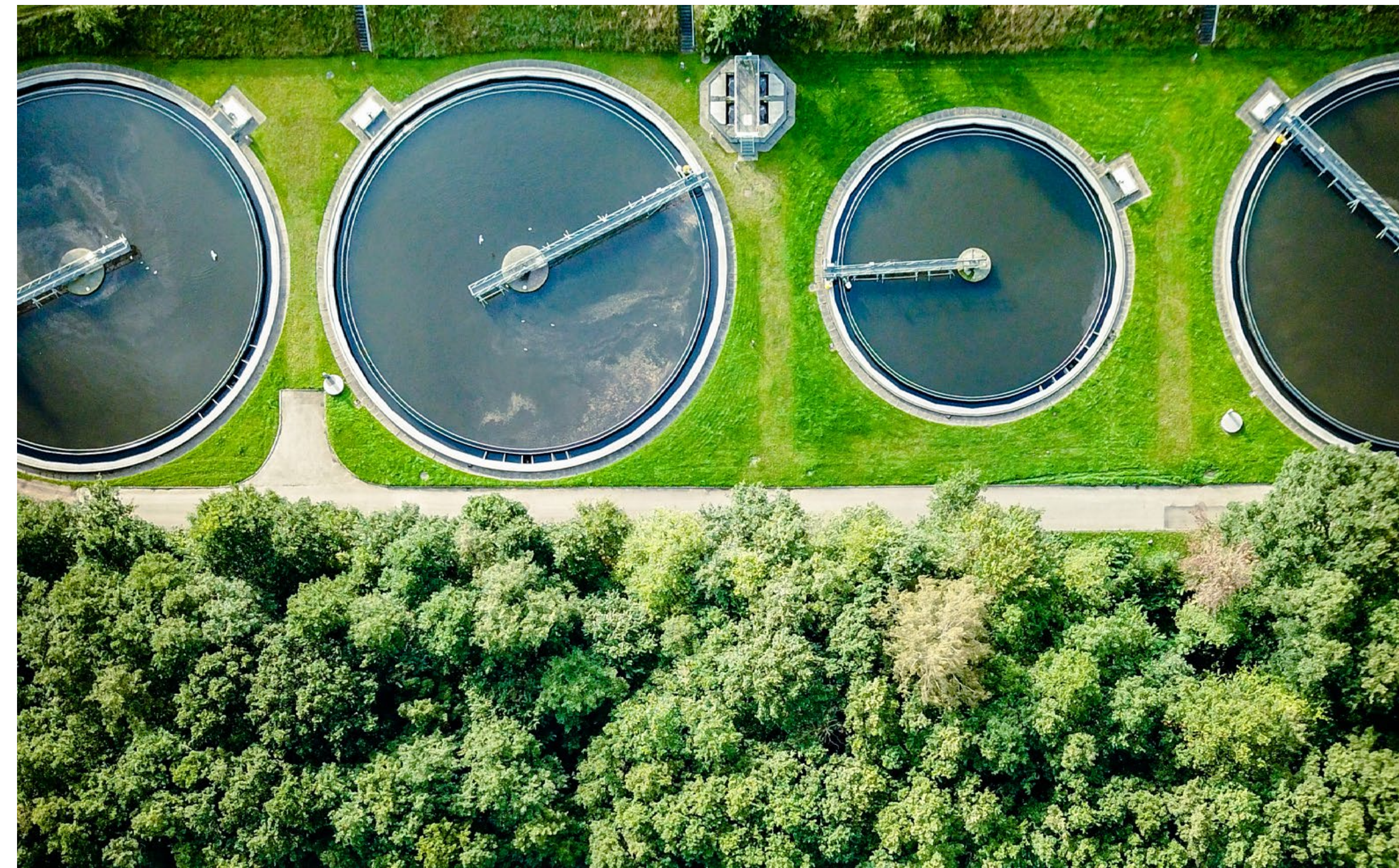


14 %

reduction in water intensity in 2023

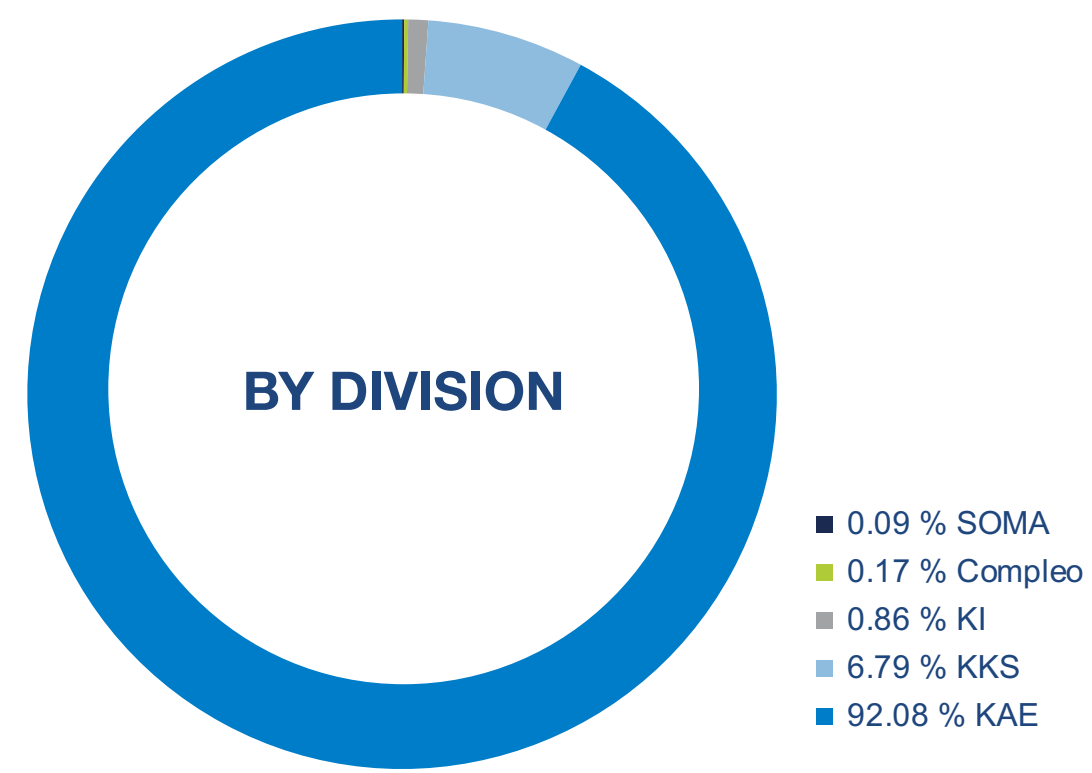
Water-related achievements in 2023

- We established water consumption-related key performance indicators.
- Water intensity of our global manufacturing sites is reviewed regularly.
- As a result of efforts to reduce our water withdrawal our water intensity has been improved by 14%.

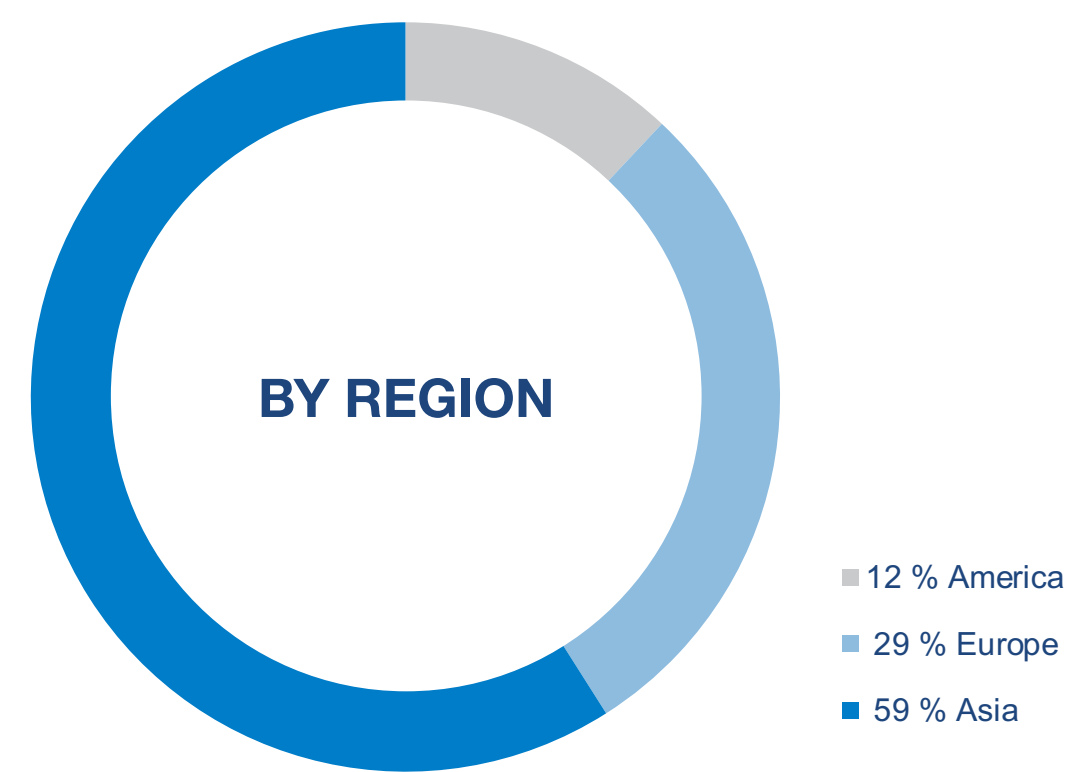
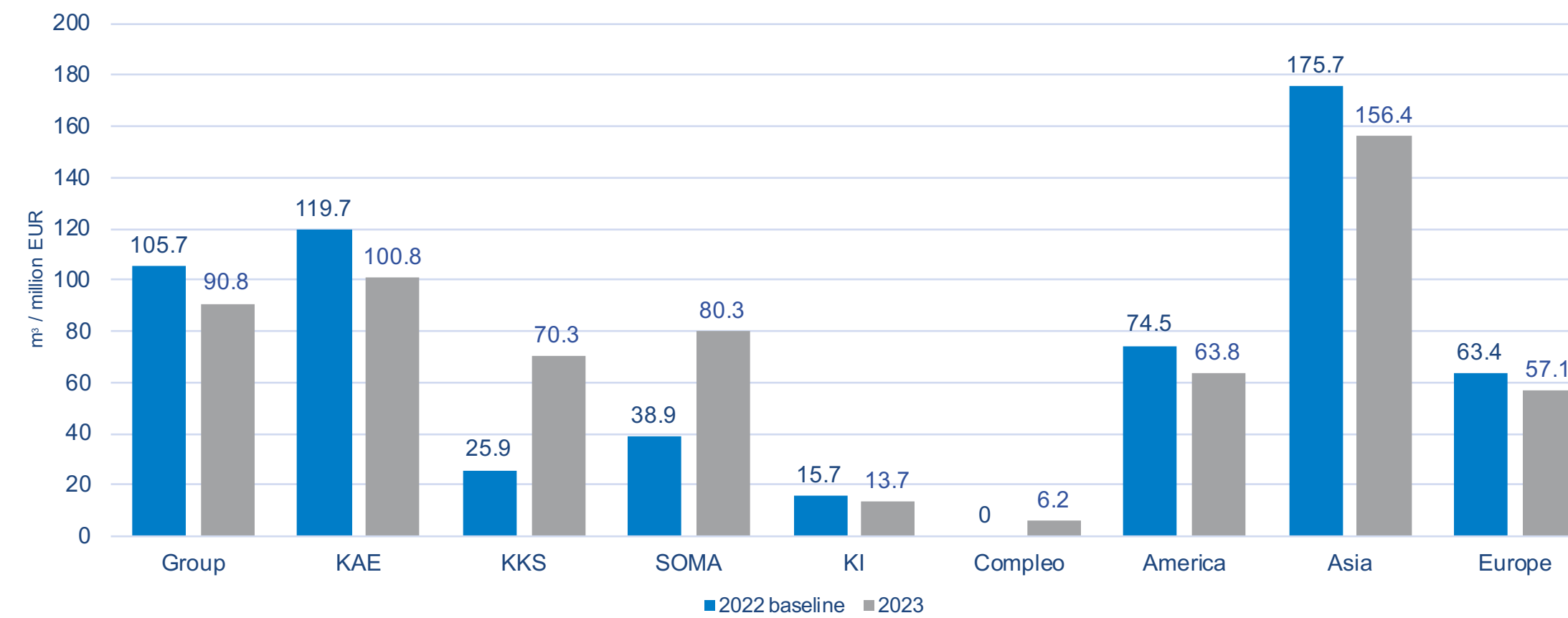




TOTAL WATER WITHDRAWAL 2023



WATER INTENSITY BY DIVISION AND REGION 2022 BASELINE AND 2023 [m³/million EUR]



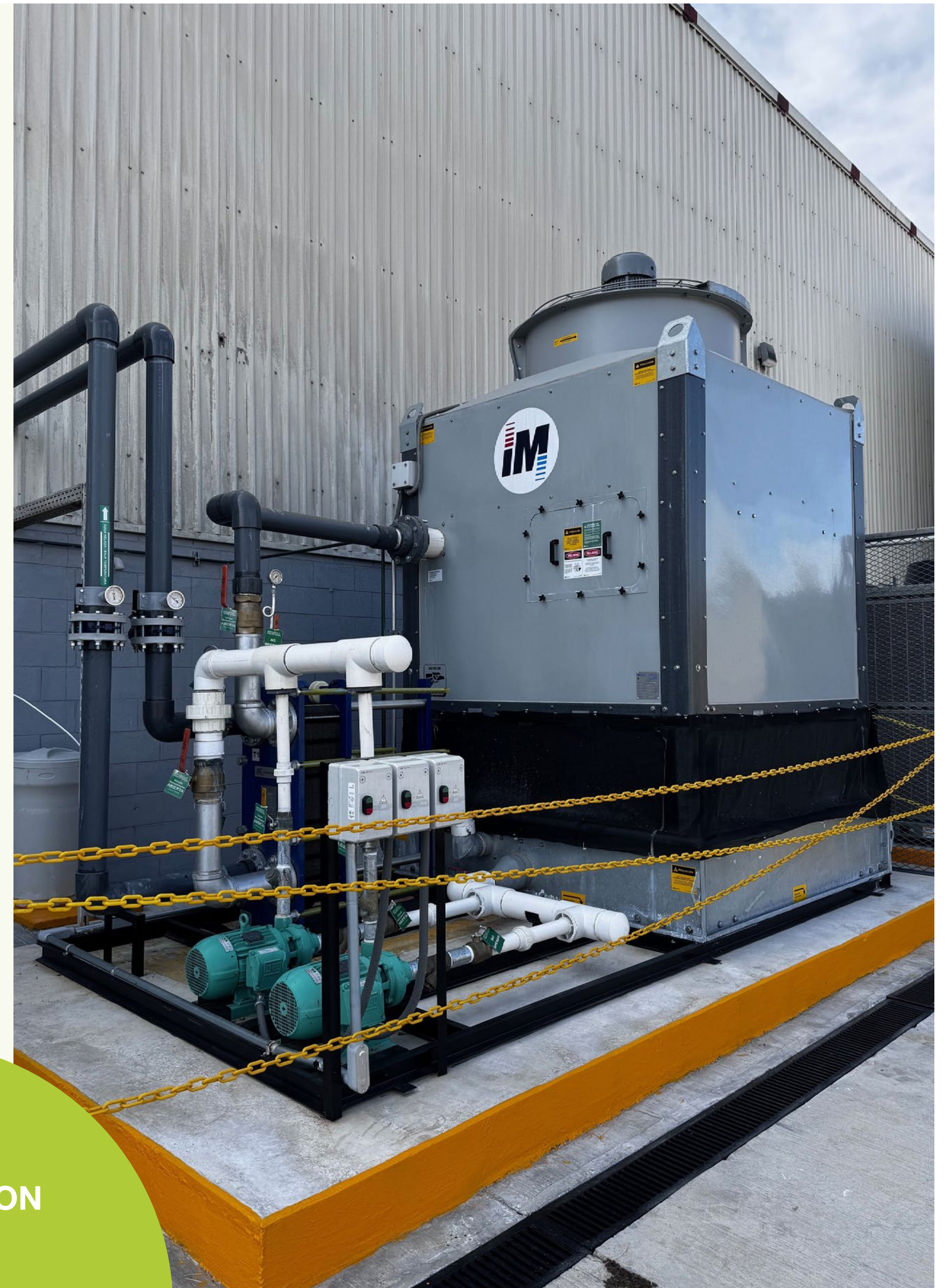


New cooling tower in Mexico reduces water consumption

A new cooling tower with greater efficiency in water consumption is used in our factory in Acambéro, Mexico. The cooling tower ensures an approximately 50 m³ monthly water saving.

Mexico is a water-scarce country, and with high water stress, therefore, it is crucial to use water-saving technologies and identify areas of consumption optimisation.

With a yearly 600 m³ saving, this project is a best practice within our global organisation, and it is promoted to apply this practice at other locations with water scarcity.



FROM AMBITION
TO ACTION



Sustainable product design

KOSTAL Group actively supports the global effort to address climate change, recognising it as one of the foremost challenges of our time.

As climate change manifests itself in tangible ways, emissions associated with human activities need to be reduced or prevented to mitigate its impact on human life. Significant reductions in greenhouse gas emissions from transport and electricity generation are essential to meet the ambitious targets outlined in the Paris Agreement.

Through innovations in electric vehicle charging technology, solar inverters, and frequency converters, KOSTAL Group, with our cutting-edge technologies, is at the forefront of facilitating the global transition to decarbonised transportation, electricity generation, and enhanced energy efficiency.

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

Innovation is not just a practice but a tradition for us — we continuously renew and improve our products, technologies, and processes.

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

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



Innovation is not just a practice but a tradition for us — we continuously renew and improve our products, technologies, and processes.



What we do for sustainable products

- We are implementing a process to conduct comprehensive analyses of the sustainability impacts of every new project and programme.
- We focus on designing resource-efficient products.
- We seek ways to use innovative materials, such as bio-based or recycled materials.
- We aim to reduce complexity and improve the reparability and recyclability of our products.
- We look at the whole product lifecycle.
- We are in the process of establishing full-lifecycle carbon footprint calculation for main product groups in all business divisions.
- We closely cooperate with our customers to fully understand their needs regarding sustainability.
- We monitor environmental legislation and regulations at regional and global levels that may impact our products.
- We partner with our suppliers and we prioritise those who report on their sustainability, have lower sustainability risks, and market sustainable products.
- Our products help other economic players meet their carbon emission reduction targets.

We have performed a cradle-to-gate carbon footprint analysis for one of our key products in 2022. Based on the results of the assessment, we targeted the topic of plastic raw materials used in our injection moulding processes, as this material is one of the key drivers of the carbon footprint of our products.

Bio-based and recycled raw material alternatives have been identified on the market and tested in our processes to offer these materials to our customers, replacing virgin plastic materials. As a result, our annual plastic raw material demand has declined to 8.6 % by 2021. In 2023, a product carbon footprint calculation pilot project was kicked off in Germany. In the upcoming years, a full lifecycle product carbon footprint calculation system will be established.

High-level sustainability-related requirements are integrated into the Manual for Technology Development and Qualification. This manual establishes a general approach to the development of new technologies and ensures that the sustainability impact of new projects, programmes or technologies is understood at the planning phase.





Electric vehicle On-board Chargers

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

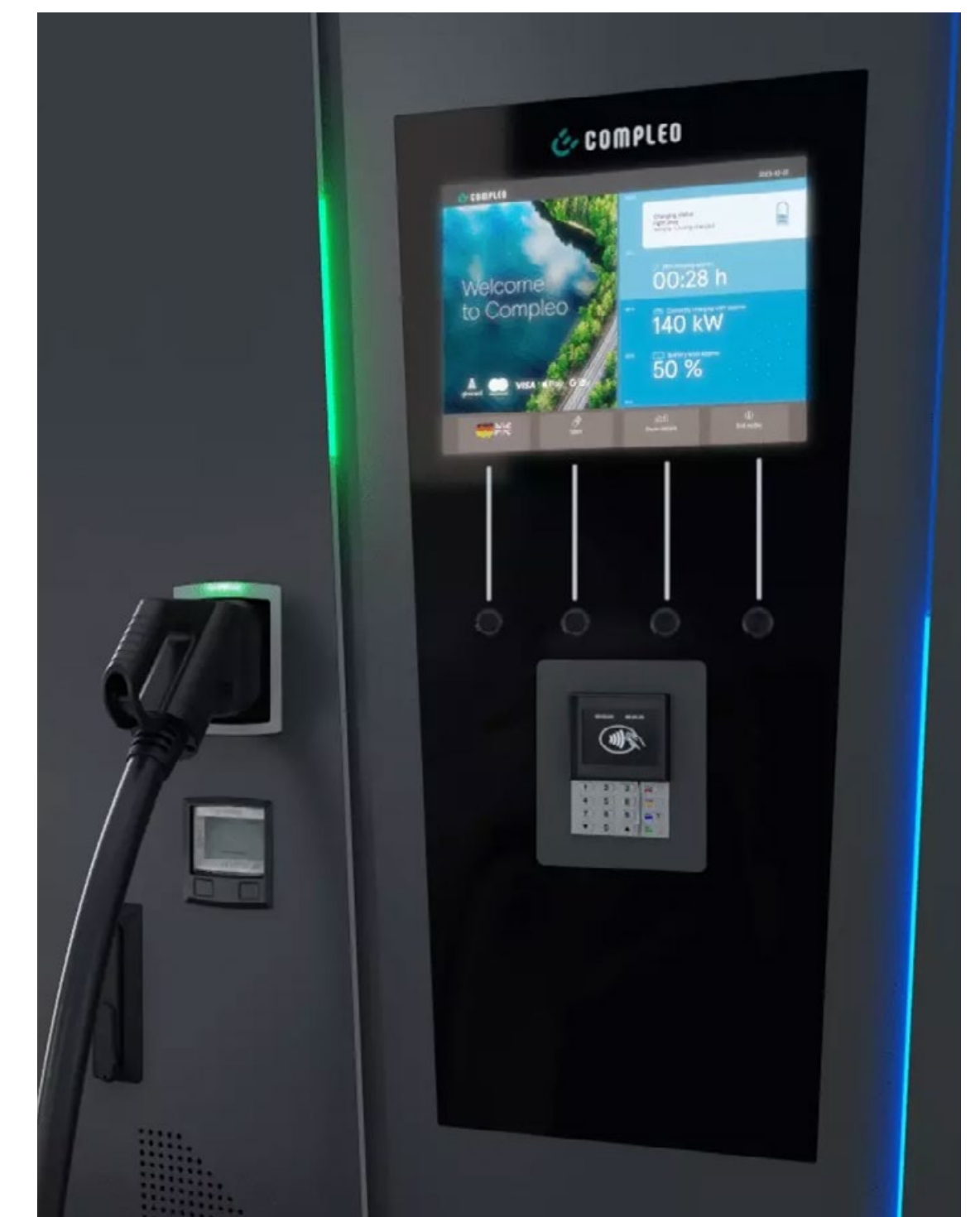
The On-Board Charger converts alternating current (AC) into the direct current (DC) required by the vehicle's battery. The flexible design takes into account the different grid connection conditions in relevant markets worldwide (for example, single or multi-phase grids). The development of efficient,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



High-power charger eTower 200 – a Compleo innovation

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

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





PLENTICORE plus G2, new generation

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

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

- integrated WLAN facilitates initial commissioning and monitoring,
- two LAN interfaces and four digital outputs,
- surge protection device monitor input,
- self-learning shadow management of the PLENTICORE plus inverter ensures maximum yields in solar power generation, and
- smart grid function ('SG Ready').



INVEOR frequency inverter — the building block for sustainability

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

An uncontrolled engine always runs at a 100 % operating point even if 50% would be sufficient. Using our INVEOR makes it possible to realise this savings potential and thus significantly reduce energy consumption. The KOSTAL frequency inverters can control all drives with maximum efficiency, regardless of the manufacturer or engine technology.

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



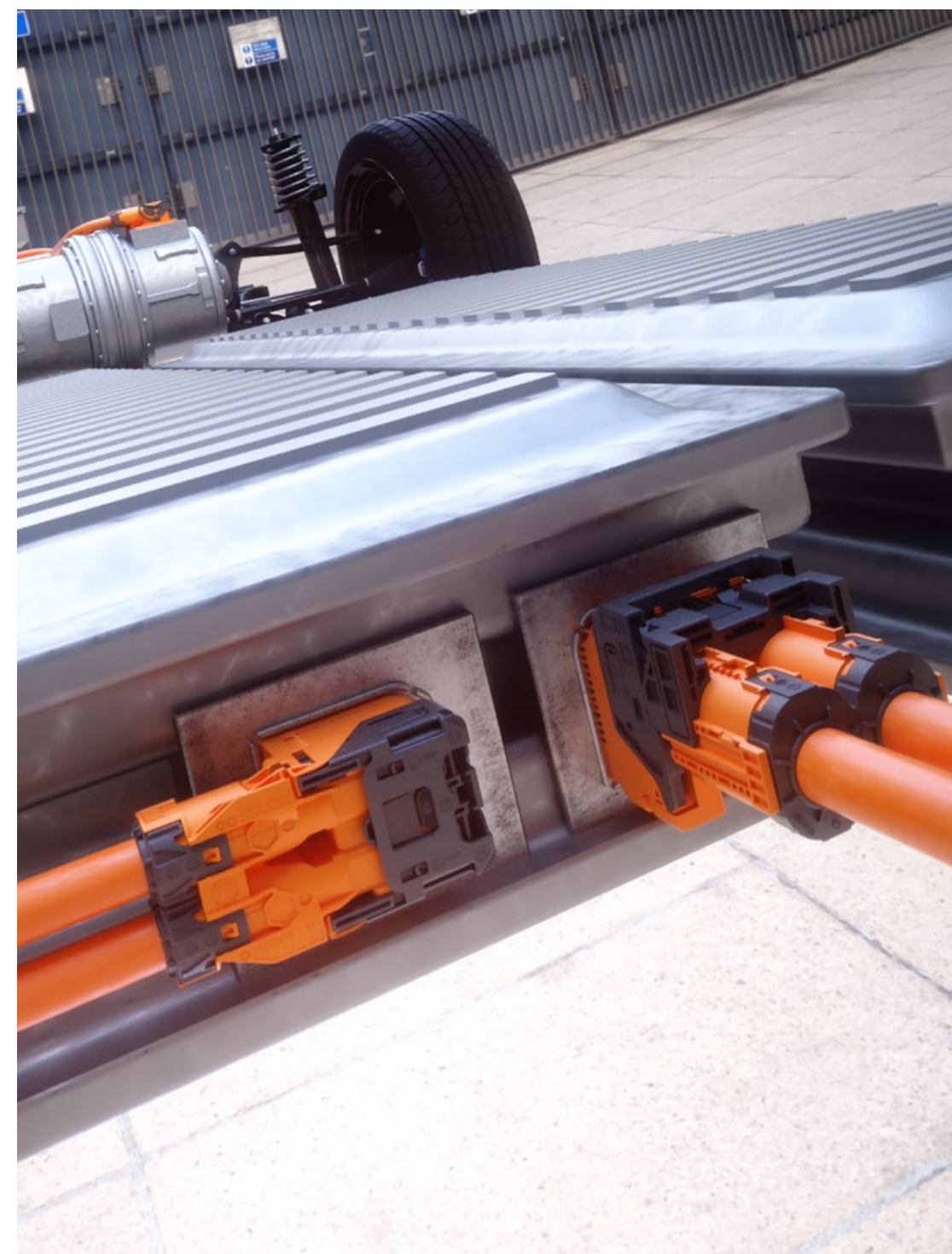


High voltage connector modules

KOSTAL provides safe, simple, and modular high-voltage connectors for electrical vehicle batteries.

There are special requirements on safety for HV applications, but flexibility in terms of space utilisation and the ease of installation when connecting storage modules have been largely neglected in the past. This is different for the KOSTAL HV battery module connectors.

For this product line, two connection versions have been developed, which provide space utilisation for battery modules of electric vehicles. The KOSTAL battery module connectors for HV applications are also extremely easy to install without assembly removal tools.



Design to CO₂ footprint – Moulding Machine innovation in Dresden

Carbon footprint calculation has been a priority in recent years and remains a key objective in KOSTAL Group's strategy for 2024. KOSTAL Connectors site at Dresden developed a carbon footprint measurement capability.

The team developed highly sophisticated moulding and assembly equipment to measure real-time energy consumption. This way, we can calculate the CO₂ footprint for selected articles of the KOSTAL Connectors product portfolio.





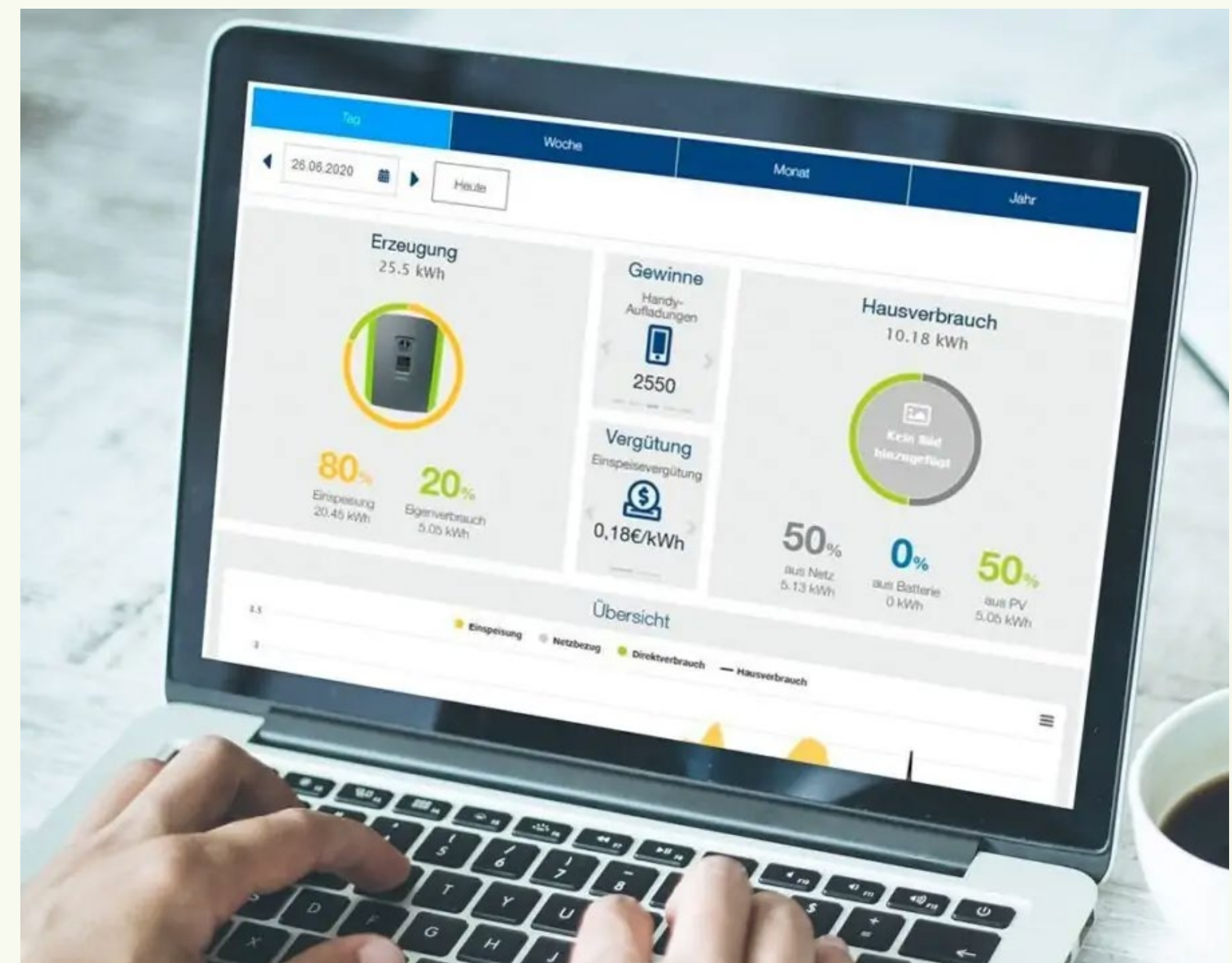
Product carbon footprint calculation for solar inverter

In 2023, a pilot project started to calculate the product carbon footprint of a KOSTAL solar inverter.

The team in Germany created a query of the installed components from the SAP master data database, evaluating each part of the inverter. Different materials were categorised, and their individual contributions to CO₂ emissions were calculated using a pilot function and their respective weights.

Based on this pilot, we could define the cornerstones of the calculation and the potential weak points. The most important area for improvement in 2024 will be the master data clarification.

This is a big step forward in building and deploying a product footprint calculation system in our company.



FROM AMBITION
TO ACTION



People

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Social sustainability

The concept of sustainability places people and their well-being in the focus — to protect human life now and also in the future.

When it comes to taking action against climate change, the industry has more and more tools to measure impacts and improve performance. Social issues, like health and well-being, injustice, hunger, and poverty are severe issues that the UN Global Compact highlights in ten out of seventeen sustainability development goals.

Despite the fact that social sustainability performance is challenging to measure in KPIs, KOSTAL is determined to make positive changes in social issues inside and outside of the organisation's walls. Our ambition is to combine our best practices, create a human-focused social sustainability strategy, and execute its components across all KOSTAL locations.

Our social sustainability practices vary in different markets in alignment with the respective local industry needs, the development of our business, and the size of our organisation at the given location. As KOSTAL is a global organisation, we see the need for aligning these different practices.

This is why we support bottom-up initiatives and share knowledge and good practices related to social sustainability in the dedicated site-level sustainability team in the Sustainability Champions Community.





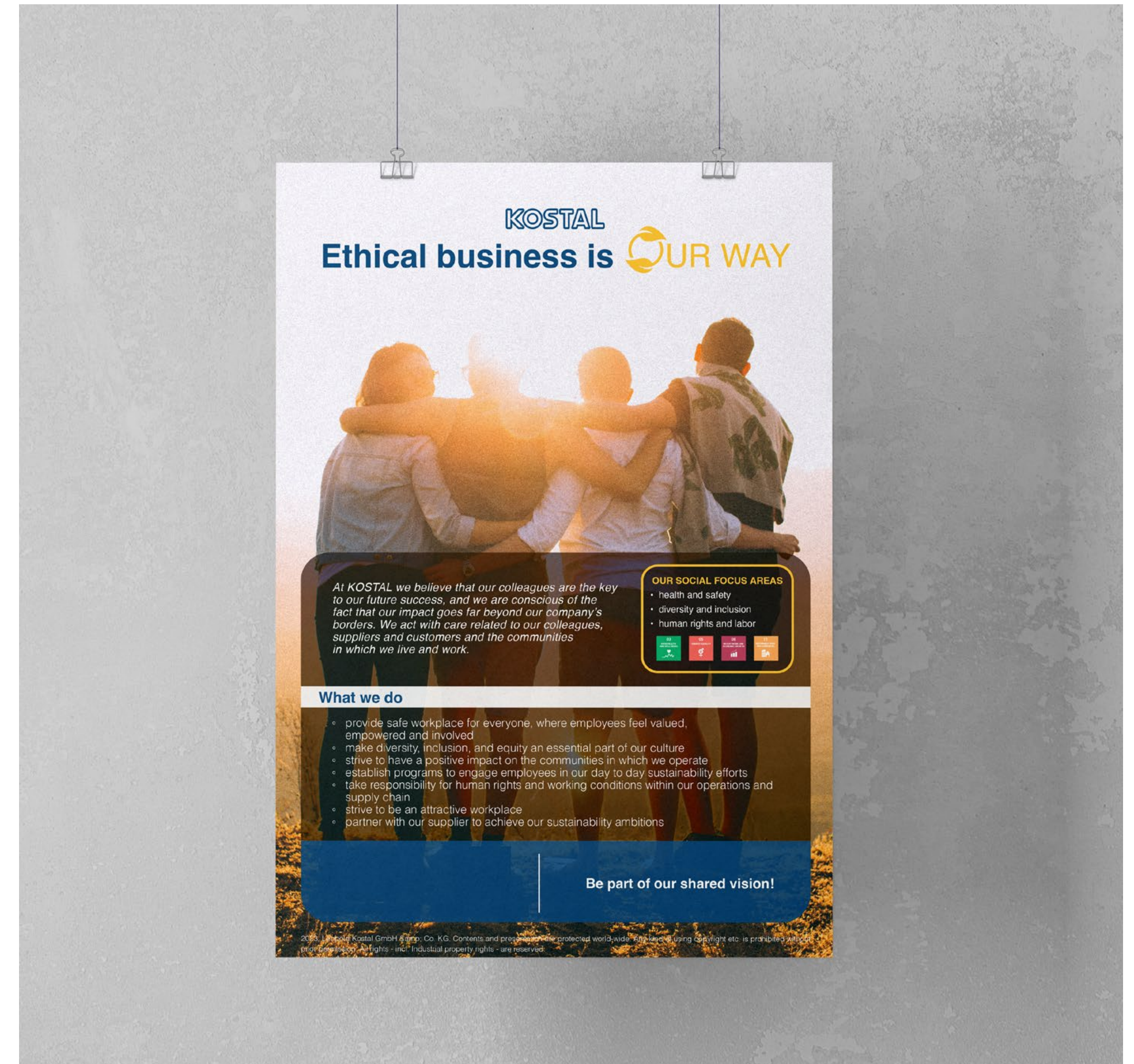
What we do for social sustainability

- We act with care related to our colleagues, suppliers, customers, and the communities in which we live and work.
- We provide safe workplace for everyone, where employees feel valued, empowered, and involved.
- We take responsibility for human rights and working conditions within our operations and supply chain.
- We make diversity, inclusion, and equity an essential part of our culture.
- We strive to have a positive impact on the communities in which we operate.
- We establish programs to engage employees in our day-to-day sustainability efforts.
- We provide fair compensation and social benefits for our employees.
- We run an employee development programme.
- We partner with our suppliers to achieve our sustainability ambitions.

Our social sustainability strategy is closely bound with global and local HR aspirations aiming for employees' rights, health, and well-being. We focus on ensuring the health and safety of our employees and protecting human rights. Employee engagement and employee development are also vital parts of our approach. Furthermore, we are proud of the diversity of our workforce, and we strive to show and encourage this through external and internal communication.

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

We seek to advocate for our employees' best interests and have great success working with them directly around the globe; we also respect our employees' right to freedom of association. This includes the right to form and join trade unions or other worker organizations.





What we do for social compliance

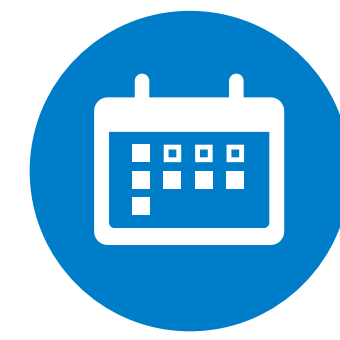
- We operate our business in compliance with all applicable laws and regulations.
- We expect social responsibility in our value chain according to KOSTAL's Supplier Code of Conduct.
- We integrate social aspects in our supplier risk assessment and supplier qualification strategies.
- We implement internationally-recognised health and safety systems and independently certify our manufacturing operations.

Social performance achievements in 2023

- We established employee resource groups at a site-level, called Sustainability Champions community, to collect data, share know-how and good practices, and foster a diverse, inclusive working environment.
- We take employee development seriously across our global organisation, supported by a global Learning and Development team.
- We collect best practices and organise global campaigns for sustainability-related employee engagement.
- We organise local social projects with the help of local representatives of sustainability (Sustainability Champions) in a bottom-up, top-down way.
- 44 % / 56 % female to male ratio supports diversity in our culture.
- More than 19,000 employees located at five continents.
- 7 % reduction of the number of days lost to work-related injuries.



44 / 56%
female to male ratio supports diversity in our culture



7%
reduction of the number of days lost to work-related injuries





We will continuously protect the human rights, health, and safety of our colleagues and people working in our supply chain. In 2024, we will form a centralised team for health and safety to add a more comprehensive approach to reducing accidents.

In 2024, we are updating the Supply Chain Code of Conduct with accurate environmental and social responsibilities to make it clear what we expect from our partners in connection with sustainability. We will integrate our social-related aspects such as diversity, equity, inclusion, human rights, employee development, etc, into the internal audit process to verify the compliance of the organization with internal and external requirements.

We will implement a centralised platform to collect key ESG metrics related to our workforce called DATACUBE.

To understand our opportunities for action regarding social sustainability, we will conduct a gap analysis comparing existing actions, strategy, and infrastructure for social aspects at KOSTAL to international standards and requirements.

Our ambition is to combine our best practices, create a human-focused social sustainability strategy, and systematically execute its components across all KOSTAL locations.

“Sustainability can only be achieved through real activity, so we intend to give our employees the opportunity to take action for our planet and our communities.”



*Leticia Montanez,
Head of HR at KOSTAL Mexico*



Working at KOSTAL

At KOSTAL, we believe our colleagues are the key to our future success. We act with care related to our colleagues, suppliers, customers, and the communities in which we live and work. We will continue to work on protecting the human rights, health and safety of our colleagues and people working in our supply chain.

In our global company, the personal dignity of each individual is protected and respected. Discrimination based on age, gender, race, skin colour, social or ethnic origin, nationality or sexual orientation, religious or political conviction or other legally protected characteristics is not tolerated, nor is any form of physical or psychological harassment or violence. Diversity and equal treatment are a matter of course at KOSTAL.

We value each employee's unique perspective and individual contributions within KOSTAL. We aim to foster a culture where equal participation and inclusion are paramount while maintaining a respectful workplace environment.

At KOSTAL, we represent more than 19,000 people in 24 countries with unique cultures across the globe, and our organisation is naturally diverse in many dimensions, including age, religion, gender, ableness, ethnicity, and nationality. Our recognition and celebration of these differences contribute to innovation and creativity in our work and a sense of belonging in our communities.

Our values put special focus on how we treat people, and we strive to create a workplace where every employee can be themselves and is empowered to do their best.

At KOSTAL, we hold our employees to high performance, passion, and commitment standards. Nevertheless, we also pride

ourselves on fostering a familial atmosphere where values such as fairness, integrity, and groundedness are cherished.

We aim to provide our employees with support for all dimensions of their lives, including financial security, health, and work-life balance. These practices vary in the different regions in alignment with the local needs.





What we do to attract the best talents on the market

- Flexible working hours: KOSTAL offers a variety of working-hour models, including flexitime. This makes it easier for employees to balance their work and personal lives.
- Social benefits: KOSTAL takes social responsibility for our employees with various models of retirement benefits and in partnership with respected insurance companies.
- Fair compensation: Good performance is rewarded at KOSTAL. Our compensation models create a balance between company targets and personal goals. KOSTAL respects and complies with the nationally applicable labour laws related to wages and working hours without exception.
- Attractive extras: In addition to traditional employee benefits, KOSTAL offers a whole range of other benefits, discounts and experiences, such as the use of local gyms at discounted rates, company health management programmes, cafeterias, etc.





KOSTAL

Even the **MOST TALENTED SPIRIT** needs long-term security to thrive.

Develop yourself.

KOSTAL

Even **BRILLIANT IDEAS** need a company to put them on the road.

Develop yourself.

KOSTAL

Even a **CODING GENIUS** needs a place to learn and grow.

KOSTAL

Even the **SMARTEST ENGINEER** needs a great team to make it work.

Employer branding videos highlight individual success

Under the project 'Mission Critical', KOSTAL shared multiple video interviews with employees in the research and development area. The aim of the campaign is to find the best talents and provide a glimpse into what it is like working at KOSTAL.

The interviewees described their responsibilities in their roles and showed how passionate they are in their profession to encourage talents to join the KOSTAL Team. When developing the look and feel of the videos, the main guideline was to make the setup easily replicated so that other KOSTAL locations could join the campaign and present its enthusiastic employees.

It is also a way to showcase the diversity of our company, which we are proud of.



FROM AMBITION TO ACTION



Health and safety

Ensuring the health and safety of our team members is our utmost priority, we invest in safe manufacturing technologies to mitigate risks in our workplaces. Our rigorous implementation of health and safety standards is aimed at creating the safest possible work environments.

As stated in KOSTAL Group's Code of Conduct, safety and health protection forms an essential part of our responsibility and activities, and we always act in accordance with the applicable standards and regulations.

We operate across various environments, ranging from production shop floors to research centres and offices. While the exposure may vary in these diverse workplaces, our objective remains consistent: to prevent injuries. Our commitment is that everyone safely returns home at the end of each day.

We ensure that potential health and safety hazards are evaluated and eliminated when planning new processes and facilities or when changing existing ones. Regular health and safety risk assessments are performed in line with the relevant legal requirements to identify and reduce safety hazards on all KOSTAL locations.

The purpose of these risk assessments is to identify, evaluate, and prioritise all potential physical, chemical, biological, or other health hazards during the activities on KOSTAL locations. Appropriate risk reduction measures are implemented for health and safety hazards identified by our teams and classified as unacceptable.





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

‘Zero accident’ forms an essential part of our ‘RACE’ programme. The internal programme was established in 2021 at KOSTAL to bring production capabilities and supply chain to a higher level of excellence through a Lean Transformation of global production plants. KOSTAL adopted Layered Process Audit, a methodology from Lean Manufacturing, to validate standards and processes by different levels of audits and observations.

Safety requirements are integrated into the aspects of the layered process audits to ensure that unsafe conditions and safety hazards are identified and corrected before they could cause an injury. We foster a “find it, fix it” approach during the LPA audits to ensure opportunities are addressed as quickly as possible.

It is expected that our supplier partners comply with national and international legal health and safety regulations and standards and ensure continuous compliance by implementing appropriate systems and processes. Potential risks to the safety and health of employees are identified, assessed, and eliminated through appropriate measures.



11%

reduction in lost time
injury frequency rate



What we do for health and safety

- Enhance ownership for Health and Safety related activities within the KOSTAL organisation.
- Improve internal reporting capabilities related to health and safety metrics by implementing standardised definitions and methodologies for reporting occupational accidents and illnesses within KOSTAL Group.
- Establish Occupational Health and Safety management system within our organisation in line with the requirements of ISO 45001 standard. Define company-wide key policies, processes and standards for occupational health and safety.
- Define ISO 45001 certification roadmap to ensure that 100% of KOSTAL's manufacturing sites are ISO 45001 certified.
- Incorporate the evaluation of compliance with internal and external Health and Safety requirements into the internal audit process.

In 2024, we will form a centralised team for health and safety to add a more comprehensive approach to reducing accidents. To ensure that health and safety risks are adequately addressed at site-level, health and safety organisations are established at each location to lead and coordinate the key activities related to health and safety management.

We are also establishing safety committees comprising members of management, employee representatives if applicable, and the location's HSE representative. These committees' tasks are to manage and monitor occupational health and safety issues and establish measures for continuous improvement.



7%

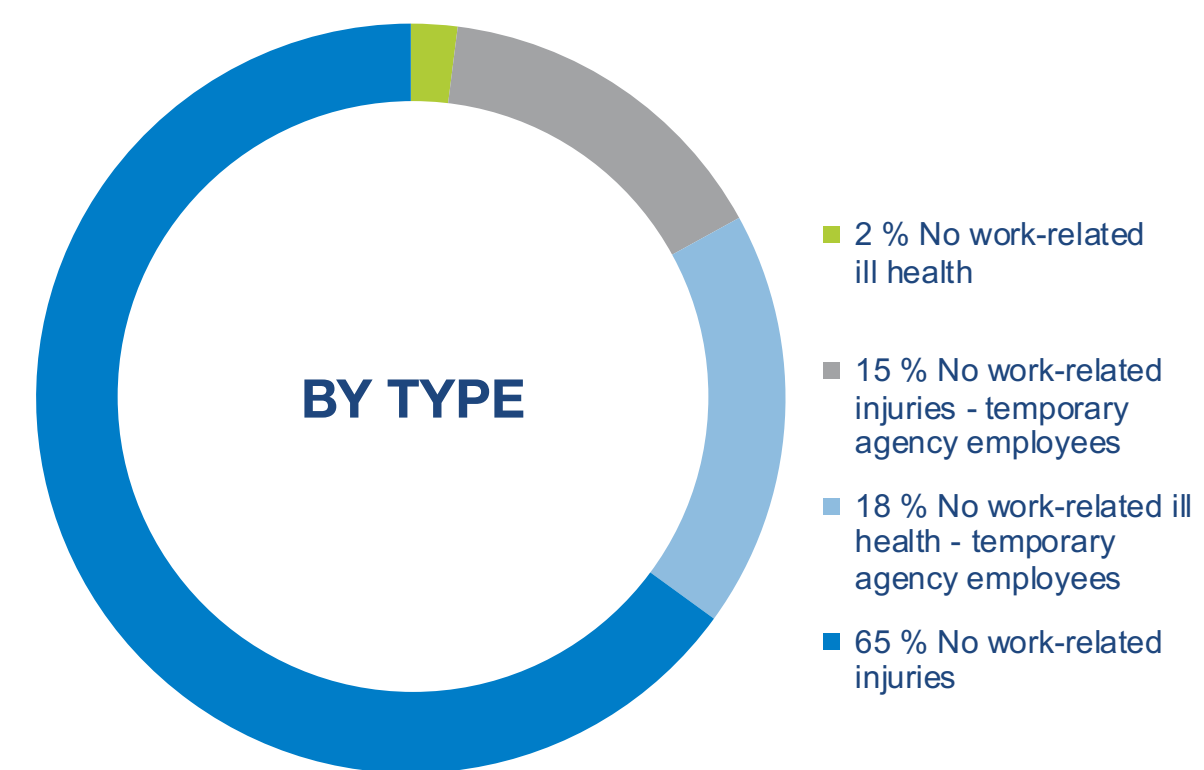
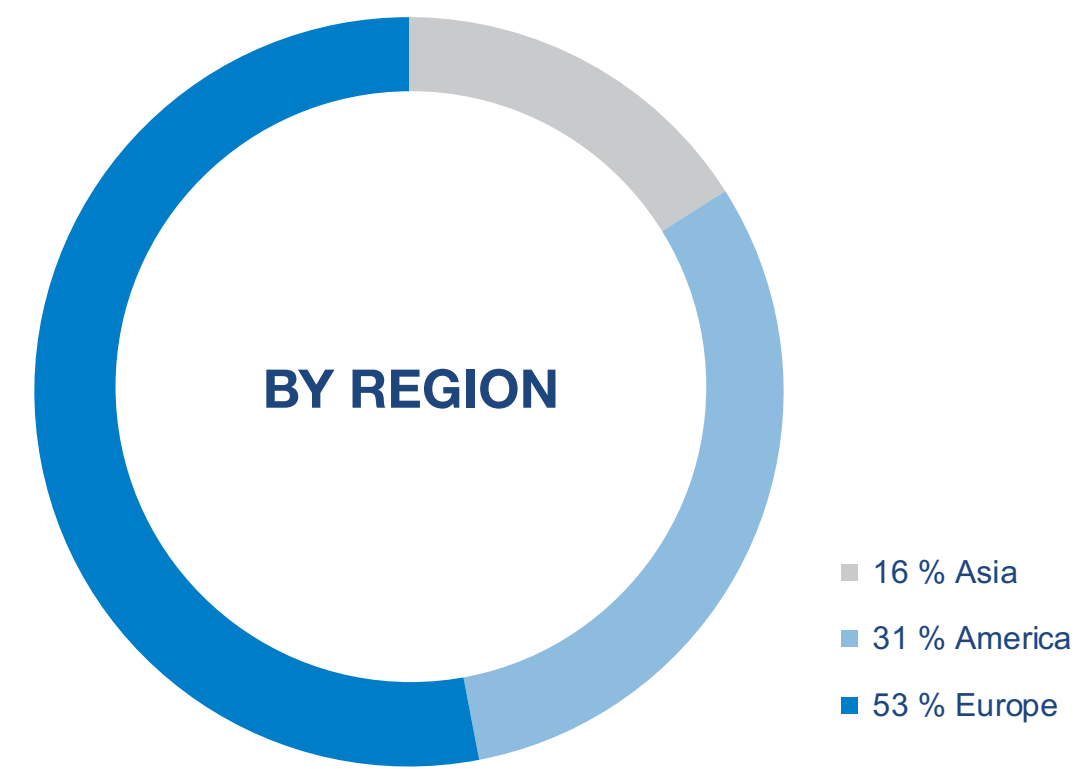
reduction of the number of days lost to work-related injuries



Picture of KOSTAL Macedonia – Raising awareness of rare diseases and children with disabilities.

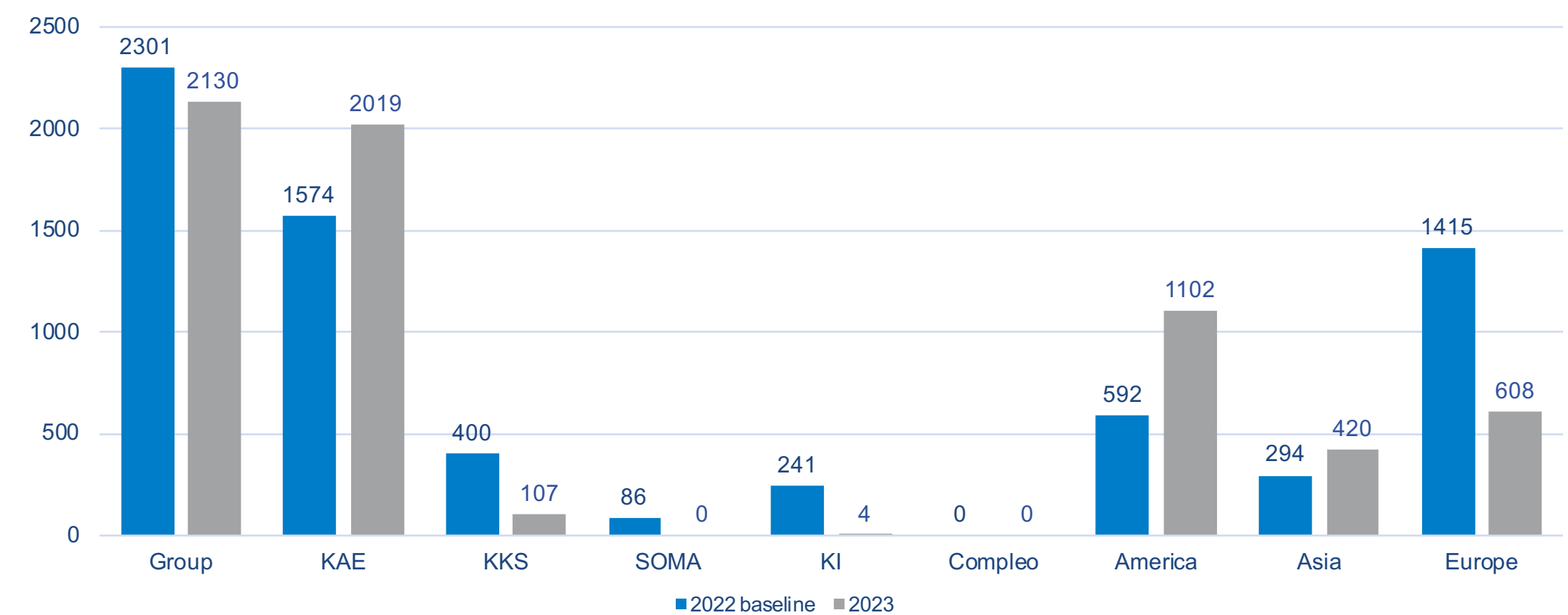


WORK-RELATED INJURIES 2023



In 2023, KOSTAL China organized events on health and well-being to spread awareness of healthy habits and the importance of preventive screenings.

NUMBER OF LOST WORKDAYS 2022 BASELINE AND 2023



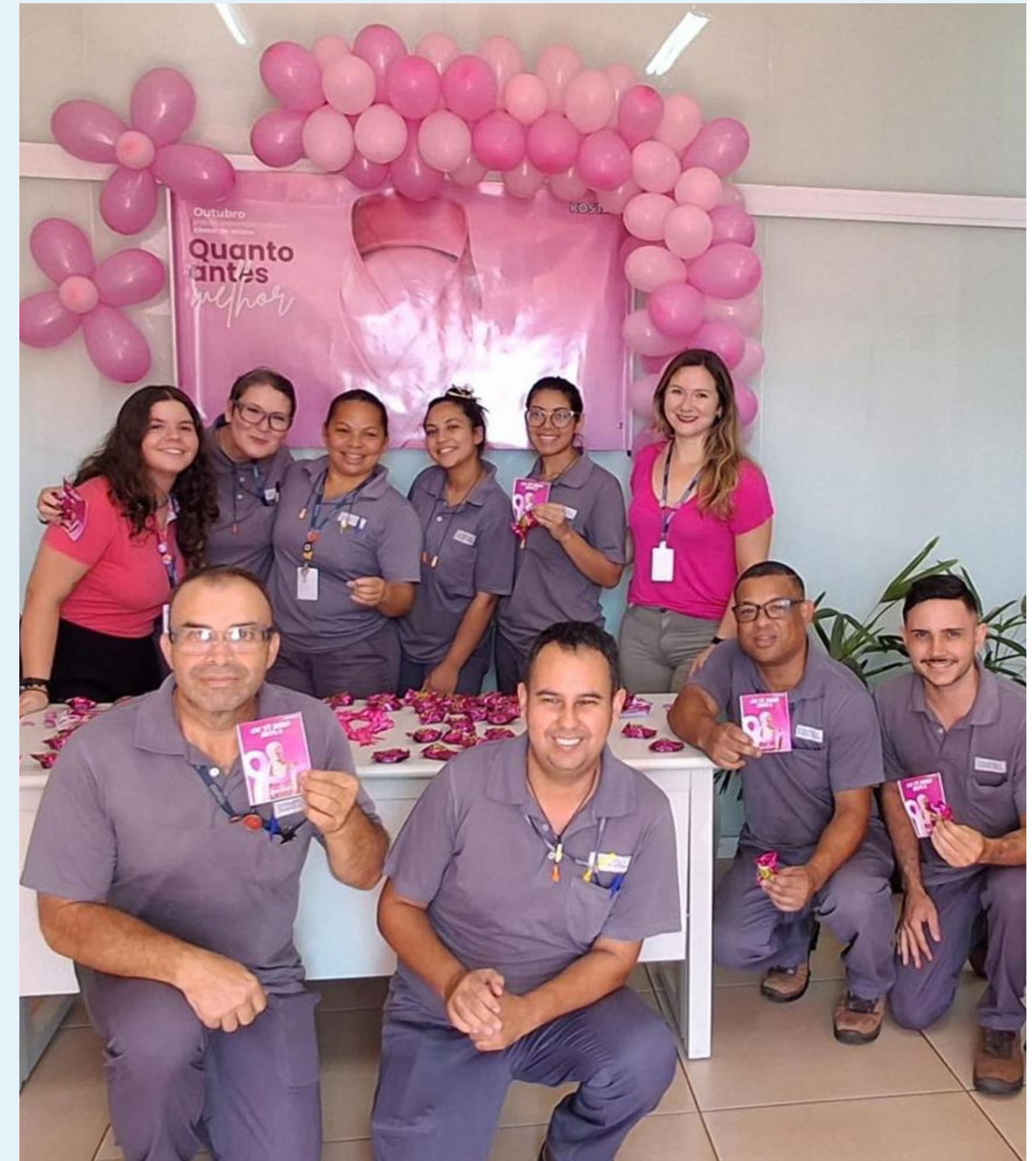


Health days to raise awareness of healthy habits and lifestyle

KOSTAL China organised multiple employee engagement events related to health and well-being in 2023. Our employees had a chance to listen to a presentation about health care, participate in a first aid lecture, and learn more about eye care in today's world with increased monitor use. Since many colleagues are raising children or planning to do so in the future, an exciting presentation was held on understanding the stages of child development.

KOSTAL Mexico held its health weeks at the end of 2023, focusing on health activities related to medical evaluation and early disease symptoms. The event was followed by a Safety Week, during which our employees learned how to avoid accidents and stay safe. Our Mexican sites also held Women's Health Days to draw attention to breast cancer screening.

At KOSTAL Brazil, approximately 800 employees celebrated World Health Day. Programmes were organised to raise awareness of the importance of vaccination. Pink October was also a health-centred day for our Brazilian sites, focusing on women's health and breast cancer prevention.



FROM AMBITION
TO ACTION



Employee development

We strongly believe that the foundation of our success is our global team, who contribute to our greatness through their stability, perseverance, humanity, and unique values. Innovation can only come from such a community of talented people who are appreciated, engaged, fairly treated, and encouraged to grow.

Our company is growing quickly at multiple locations, and we want to find and nurture talents who join our team. This is why we devote resources to reach excellence in recruitment and employee development, which are also significant pillars of our global human resources strategy.

Our strategy for employee development is to incorporate learning into the flow of work, and we seek to make learning accessible and convenient for employees to engage and ensure that their experience is impactful. Our managers and team leaders are empowered to collaborate with their employees to support their development and training opportunities. Our Executive Leadership Initiative (ELI) is our way to develop our top talents. In this talent development system, we integrate individual career planning to develop our people and succession planning to ensure smooth business for the company.





What we do for employee development

■ Annual goal-setting and performance appraisal practices

This practice provides employees with an opportunity to manage their development and career progression. Our leaders also support the growth of their team members through ongoing feedback.

■ Tailor-made development programmes

We provide opportunities to develop soft and technical skills of our employees. We offer tailor-made development options, such as our management assessment centre, which is a platform designed to fill our management positions internally. In addition, job-specific training sessions are also available, including topics such as strategic thinking, problem-solving and effective communication.

■ Learning and development platform

With KTLS, KOSTAL Talent and Learning Suite, employees can find all training courses recently offered by KOSTAL in one platform. With the help of a personalised learning experiences, the most suitable training courses are suggested to our colleagues. Employees can register for training dates, pre-book for events, or view all eLearning directly on the platform.

In 2023, the global Learning and Development team was established, and our goal is to produce company-specific courses combined with purchased high-quality learning materials.

To identify focus topics, the team conducted research for learning and development megatrends, and also included representatives of the business units and regions in the discussion. The focus topics from 2024 for learning and development: leadership excellence, talent development, learning management, and organisational development.

KOSTAL developed a new recruiting campaign 'Mission Critical' for the research and development area. The campaign produced communication material and played it out to the target group of engineers in Germany, Czechia, Poland, and Bulgaria. In 2024, the results of the pilot will be transferred to a global employer branding campaign.

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





Employee trainings on ESG pillars at Ohrid, North Macedonia

In Ohrid, Mexico, multiple training sessions and educational programmes were held for our employees in 2023 to take huge steps on the sustainability roadmap of the site.

The site joined a one-week training that was organised by AMCHAM (The American Chamber of Commerce in North Macedonia) together with IMPACTA regarding the importance of the ESG system and data gathering. This initiative to share and collect good practices about the ESG system, data gathering, reporting, and creating of reports between firms.

KOSTAL Macedonia's Extended Leadership team was informed and fully aware of the initiative to establish an ESG system at the KOMAK site. The site's objective is to cultivate a CSR (Corporate Social Responsibility) community dedicated to addressing social and environmental concerns.

A comprehensive training was held in Ohrid for the Senior Management Board on ESG and how to lead with incorporating ESG into processes.



Verica Krajcheska – ESG Engineer, Sustainability Champion at KOMAK



FROM AMBITION
TO ACTION



Employee and community engagement

At KOSTAL, we are committed to establishing programmes to engage employees in our day-to-day sustainability efforts to transform corporate KOSTAL Group's sustainability ambitions into reality.

An inclusive and active community is not only fundamental for a great working environment but also inspires collaborations, innovations, and growth. We have a human-focused culture built on the KOSTAL values, which directly connect to sustainability. We focus on listening to employees' needs, initiate campaigns to live out the KOSTAL values and create opportunities for our team members to give back to society.

As a family-owned cooperation, the concept of family is essential to the company. We know how important it is to combine work, family, and leisure and that their unity makes a balanced life possible. We offer our employees numerous ways of harmonising work with their personal lives. This work-life balance enables outstanding performance, motivation and commitment at work.





What we do for employee engagement

■ Local employee engagement campaigns

At many KOSTAL locations, there are long traditions of organising various events to connect with employees. These occasions can be aimed at education, donation, community building, forming committees (e.g. sports committees), and often involve employees' families. For example, regular international football tournaments help to build our team spirit while encouraging global networking. There are also informal gatherings for different groups to enable people to make friends within the KOSTAL family.

■ Global employee engagement campaigns for sustainability

There are also globally-initiated campaigns to help share knowledge in sustainability-related employee engagement projects. In 2023, the E-Waste Weeks was held at multiple KOSTAL locations. Details of the campaign can be found on [page 52](#).

■ Involvement in local communities

We strive to positively impact the communities in which we operate. Our global presence allows us to support communities worldwide, and we strongly encourage our employees to engage in community outreach and charitable giving activities. Employees at our many locations globally get involved locally by donating time and resources to the communities in which they live and work..

■ Employee opinion surveys

At several KOSTAL locations, we use employee opinion surveys to understand our employees' opinions and thoughts and to provide our management with feedback. We aim to extend this survey to the entire KOSTAL universe and run the survey every second year.

■ Transparent a bilateral communication

At KOSTAL Group we believe in transparent and bilateral communication, therefore we provide several communication channels for employees to engage with leadership. These location or regional-specific communication practices might include town halls, all-hands meetings, or company newsletters. KOSTAL employees are encouraged to share feedback on how we are doing as a company, discuss employee engagement, and identify areas for improvement.

■ Long Service Award

Challenging and encouraging long-term collaboration is the defining feature of our company. The large number of employees who celebrate long service anniversaries and the very low turnover rate speak volumes about the quality of the working environment at KOSTAL. We celebrate good performance and long-lasting commitment to our company with the Long Service Award.

It is important to recognise that different approaches in various cultures, countries, factories, and offices can be the most effective in moving us towards our sustainability goals. Local sustainability advocates take it to heart that the social sustainability actions set at the Group level are delivered in their localities. KOSTAL employees are also motivated, join sustainability-related events, and involve in the local community.



Tree planting and community garden at our sites

KOSTAL cooperated with the local municipality in Cravinhos, Brazil, to plant 200 native trees in the city park. This initiative confirmed the importance of environmental preservation and community collaborations.

'KOSTAL Garden' is also the creation of Brazil's enthusiastic and dedicated KOSTAL employees. Our factory organised a competition to collect as many PET bottles as possible to celebrate Earth Day. Through teamwork, over 2,000 bottles were collected and reused to create a garden.

In Mexico, the Acambéro site initiated and coordinated a municipal tree planting in the town of Los Agustinos. Some 2,000 trees were planted with the participation of 150 KOSTAL employees.

At KOSTAL India, 100 trees were planted on factory premises on Earth Day. These employer engagement initiatives align with our social sustainability efforts and are good examples of the community-building power of sustainability.



FROM AMBITION
TO ACTION



Sustainability on our supply chain

KOSTAL has a long history of acting responsibly, and there is no doubt that our suppliers and business partners play a significant role in our success in this area.

We want to continue this successful cooperation and we want to take important steps to achieve carbon neutrality in the entire value chain by 2045.

With more than 1,500 direct and 7,500 indirect supplier partners, it is crucial to select and nurture our suppliers in a way to have a positive environmental and social impact. We want to show the way to a sustainable future by setting requirements and providing support to our suppliers.

We communicate clear expectations to our suppliers in the renewed Supply Chain Code of Conduct (SCoC), where we discuss in detail our aspirations for the most important sustainability areas.

We work with our key partners to ensure their sustainability-related development, contributing to our own ambitions. In addition to process-related, economic, and technical criteria, our procurement activities also focus on social and ecological aspects, such as human rights, working conditions, corruption prevention, legal compliance, and environmental protection.

In addition to SCoC requirements, we expect our suppliers to comply with the applicable national laws in their activities and to observe the internationally-recognised environmental, social, and compliance standards. Our values are transmitted into our supplier development strategies and relations.





What we do for supply chain sustainability

GHG emission reduction

KOSTAL is committed to the Paris Agreement and has set a CO₂ reduction target throughout its entire value chain and aims to be carbon neutral by 2045. To meet our undertakings, we impose the following requirements on our suppliers to minimise greenhouse gas emissions, improve air quality, and advance renewable energy adoption within our supply chain.

■ Emission monitoring and control:

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

■ Prioritising renewable energy:

Suppliers are expected to transition towards renewable energy sources to reduce environmental impact and contribute to a sustainable future.

■ Addressing carbon neutrality:

In order to meet our goal of carbon neutrality by 2045, we must collaborate with our suppliers and consider favouring products that have the lowest environmental impact considering the whole product life-cycle.

Environmental responsibility

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

■ Resource efficiency:

Suppliers must develop and implement strategies to minimise resource consumption and increase resource efficiency throughout their operations, with a special focus on raw materials. This includes efficient use of energy, water, and other natural resources.

■ Waste management:

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

■ Hazardous substances:

Suppliers must ensure the safe handling, storage, and use of hazardous materials following relevant. It is required to avoid using chemical substances that pose a risk to human health or the environment whenever feasible.

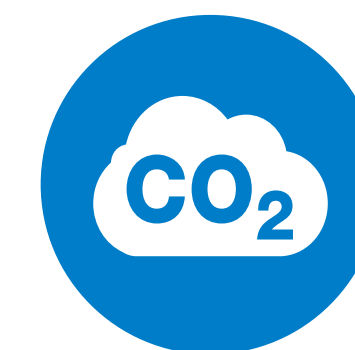
Supply Chain ambitions by 2030:



100 %
of target suppliers are reporting ESG data



100 %
of target suppliers use renewable electricity



40 %
GHG Emission reduction in value chain



Social responsibility

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

■ Working conditions:

Supplier partners must have clear policies in place regarding working conditions and human rights. These policies should be monitored and enforced to ensure compliance with national and international regulations, including health and safety standards, working hours, wage standards, and prohibition of child labour.

■ Anti-bribery and corruption:

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

■ Fair business:

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

■ Diversity, equity, and inclusion:

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

■ Animal welfare:

Suppliers must consider animal welfare in their corporate activities.





Supply Chain achievements in 2023

■ Identify and manage high-risk suppliers:

To properly support our suppliers, we need to identify our high-risk partners so that we are able to address the most important areas for improvement regarding their sustainability performance.

With the help of EcoVadis data mining, more than 5,000 partners have been registered in the system in 2023. Based on country and industry risks, and 360° watch results, high-risk suppliers have been identified with whom the deep-risk analysis will be gradually rolled out. EcoVadis ratings will be a crucial prerequisite and input for the KOSTAL supplier risk management process.

■ Integrating sustainability into our internal procurement processes:

Since 2023, sustainability-related expectations form an essential part of the internal procurement process, which is crucial in enforcing our sustainability requirements to achieve the KOSTAL sustainability targets. Our internal procurement processes have been supplemented with aspects of sustainability to be considered in our daily work and procurement decisions. This includes onboarding new suppliers for KOSTAL, awarding new business to suppliers, and regular supplier evaluations.

“Value-chain sustainability is the full picture of our impacts on the environment and society. It also shows that sustainability is a team effort and a responsibility of all of us.”

*Thomas Friedel,
Head of Global Supply Chain Sustainability at KOSTAL Group*



We are in the process of calculating our Scope 3 emissions across the 15 GHG Protocol categories to develop and submit a science-based target to SBTi in 2025. Scope 3 includes all indirect emissions that occur in our value chain including upstream and downstream emissions. With having an exact result for Scope 3, we will be able to understand our indirect environmental and social impacts, and it will enable us to collaborate with key suppliers that are having the highest impact.

A modern supplier portal is under development, where we can better connect with our suppliers and organise webinars, training sessions, and other forms of knowledge sharing and support.

We are committed to continuing this successful cooperation to secure and preserve a sustainable world for future generations “Value-chain sustainability is the full picture of our impacts on the environment and society. It also shows that sustainability is a team effort and a responsibility of all of us.” – Thomas Friedel, Head of Global Supply Chain Sustainability at KOSTAL Group.

In conclusion, our suppliers must demonstrate their commitment to environmental stewardship and corporate responsibility. Together, we can uphold the highest standards of integrity, make a positive impact on society and the environment, and create a more sustainable future for generations to come.



KOSTAL started using EcoVadis IQ

When it comes to supply chain sustainability practices, the leading-edge solution by EcoVadis is powered by artificial intelligence-driven technology to provide data and insight for businesses.

The methodology of EcoVadis is based on 21 ESG criteria and rests on international standards such as the principles of the UN Global Compact, the conventions of the International Labour Organisation (ILO), the standards of the Global Reporting Initiative (GRI), ISO 26000, and etc.

In 2023, KOSTAL Group started to use the EcoVadis platforms and incorporate them into our procurement policy and processes. The main benefits of this are better risk mitigation, increased transparency for stakeholders, and further operational efficiency. KOSTAL will not take the risk of working with non-compliant business partners. Therefore, participation in this programme is mandatory. The goal is to integrate and consider sustainability risks in all purchasing decisions.

What does EcoVadis provide?

- Fundamental data to support fulfilling legal and customer sustainability requirements.
- Review of our suppliers based on international standards and compliance through validation of the delivered documents by ESG experts.
- In combination with other risk data sources, we obtain a comprehensive risk analysis based on over 100,000 verified public sources.

ecovadis



FROM AMBITION
TO ACTION



KOSTAL



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Environmental data

Performance indicator – ENVIRONMENT	Unit	Group		KAE		KKS		SOMA		KI		Compleo		America		Asia		Europe	
		2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
RESOURCE EFFICIENCY																			
ENERGY CONSUMPTION																			
Total fuel	[MWh]	28,213	24,288	22,380	17,006	3,880	3,380	323	462	1,629	1,379	0	2,062	3,601	2,123	3,043	2,952	21,570	17,152
Total purchased non-renewable electricity	[MWh]	101,770	105,301	93,549	93,189	8,221	12,027	0	0	0	0	0	0	32,584	33,370	51,568	53,366	17,618	18,565
Total purchased renewable electricity	[MWh]	53,928	56,973	37,239	39,618	13,562	13,313	134	136	2,994	3,046	0	860	6,696	6,939	0	0	47,232	50,033
Total renewable electricity generation	[MWh]	244	557	73	203	115	103	0	0	56	250	0	0	0	0	73	56	171	500
ENERGY INTENSITY																			
Total energy Consumption	[MWh]	183,911	186,562	153,167	149,813	25,664	28,720	457	598	4,623	4,424	0	2,922	42,880	42,432	54,611	56,318	86,420	85,750
Energy intensity	[MWh]/million €	56.2	50.0	54.7	48.4	83.6	87.8	57.1	149.4	29.4	20.8	0.0	31.9	74.2	67.8	46.5	44.2	56.9	49.4
DECARBONISATION																			
GHG EMISSION																			
Scope 1 emission	[t CO ₂ eq]	10,032	8,396	8,762	6,667	782	833	72	98	416	351	0	446	878	529	2,456	1,511	6,698	6,356
Scope 2 emission	[t CO ₂ eq]	55,826	58,674	52,457	52,746	3,368	5,901	0	0	0	0	0	0	14,030	14,429	33,799	34,926	7,996	9,319
Scope 1+2 emission	[t CO ₂ eq]	65,858	67,070	61,219	59,413	4,150	6,734	72	98	416	351	0	446	14,908	14,958	36,255	36,437	14,695	15,675
CARBON INTENSITY																			
Scope 1+2 emission	[t CO ₂ eq]	65,858	67,070	61,219	59,413	4,150	6,734	72	98	416	351	0	446	14,908	14,958	36,255	36,437	14,695	15,675
Carbon intensity	[t CO ₂ eq]/million €	20.1	18.0	21.9	19.2	13.5	20.6	9.0	24.6	2.7	1.6	0.0	4.9	25.8	23.9	30.9	28.6	9.7	9.0
WASTE GENERATION																			
WASTE																			
Total generated waste	[t]	10,301	10,733	7,738	7,750	2,223	2,499	14	21	327	355	0*	107	2,800	2,865	1,822	1,858	5,679	6,010
Waste intensity	[t/million €]	3.2	2.9	2.8	2.5	7.2	7.6	1.7	5.3	2.1	1.7	0.0*	1	4.8	4.6	1.6	1.5	3.7	3.5

¹ Compleo was acquired in 2023

² 2022 = baseline



Performance indicator – Environment	Unit	Group		KAE		KKS		SOMA		KI		Compleo		America		Asia		Europe	
		2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022 ⁷	2023	2022	2023	2022	2023	2022	2023
TOTAL WASTE GENERATED ⁵																			
Non-hazardous composting	[t]	17 ¹	57	17	53	0	0	0	0	0	0	-	4	0	0	6	9	10	48
Non-hazardous reuse	[t]	24 ²	39	24	29	0	0	0	0	0	10	-	0	0	0	24	29	0	10
Non-hazardous recycling	[t]	7,133	7,299	4,847	4,681	1,998	2,266	10	16	277	282	-	54	1,977	2,046	1,421	1,321	3,735	3,932
Non-hazardous incineration - without energy recovery	[t]	87	59	53	56	34	3	0	0	0	0	-	0	0	0	53	59	34	0
Non-hazardous landfill	[t]	947	1,032	902	952	45	73	0	0	0	0	-	7	660	629	0	0	287	403
Total non-hazardous	[t]	9,558	9,871	7,051	6,937	2,184	2,458	14	21	310	347	-	107	2,636	2,675	1,503	1,418	5,418	5,778
Hazardous reuse	[t]	0	0	0	0	0	0	0	0	0	0	-	0	0	0	0	0	0	0
Hazardous recycling	[t]	197	281	146	244	37	37	0	0	14	0	-	0	33	41	87	143	77	98
Hazardous incineration - with energy recovery	[t]	279	334	276	330	0	4	0	0	3	0	-	0	64	80	172	205	43	50
Hazardous incineration - without energy recovery	[t]	111 ³	60	109	60	2	0	0	0	0	0	-	0	0	0	0	0	111	60
Hazardous landfill	[t]	42	30	42	30	0	0	0	0	0	0	-	0	27	25	0	0	15	5
Hazardous other method	[t]	114 ⁴	156																
Total hazardous	[t]	743	862	687	813	39	41	0	0	17	9	-	0	163	190	319	440	261	232
WATER CONSUMPTION																			
TOTAL WATER WITHDRAWAL																			
Water withdrawal ⁷	[m ³]	345,508	338,450	334,794	311,660	7,940	22,990	311	321	2,463	2,913	0 [*]	566	43,077	39,961	206,261	199,388	96,170	99,100
Water intensity	[m ³ /million €]	105.7	90.8	119.7	100.8	25.9	70.3	38.9	80.3	15.7	13.7	0.0*	6.2	74.5	63.8	175.7	156.4	63.4	57.1

¹ The 2022 baseline for Non-hazardous waste composted reduced due to a correction.

² The 2022 baseline for Non-hazardous reused waste significantly reduced due to reclassification of waste treatment (recycled).

³ The baseline for Hazardous waste incineration without energy recovery increased due to unit error corrected.

⁴ The baseline for Hazardous waste other method increased due to missing information.

⁵ Only manufacturing sites are in scope.

⁶ Compleo was acquired in 2023

⁷ In 2023 only manufacturing sites are in the scope of water withdrawal data



Employee data

Performance indicator – SOCIAL	Unit	Group		KAE		KKS		SOMA		KI		Compleo		America		Asia		Europe	
		2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
EMPLOYEE DATA																			
Total employees by regions	No.	19,123	19,649											4,356	4,681	5,241	4,552	9,526	10,416
Total employees in the business divisions	No.	19,123	19,649	16,933	16,659	1,551	1,877	83	95	556	612	-	406						
Female employees	%	45	44	42	46	28	31	12	14	28	27	-	21	58	54	46	46	39	38
Male employees	%	55	56	58	54	72	69	88	86	72	73	-	79	42	46	54	54	61	62
Employees under 30	%	25	19	26	22	14	13	14	19	15	13	-	24	32	31	33	19	17	18
Employees 30-50	%	56	60	57	59	53	59	47	44	52	58	-	58	53	52	65	79	53	52
Employees over 50	%	19	21	17	19	33	28	39	37	33	29	-	18	15	17	2	2	30	32
HEALTH AND SAFETY																			
LTC lost time cases	No.	103	104	75	90	24	8	2	0	2	6	-	0	27	26	16	31	60	47
LTI lost time incidence rate	rate [no of incidents/100 employees]	3.0	2.7	2.4	2.7	8.8	2.4	12.0	0.0	2.0	5.4	-	0	3.4	3.0	0.8	1.6	4.3	3.1
Work related ill health cases	No.	39	26	35	26	4	0	0	0	0	0	-	0	4	0	22	23	13	3
Work related fatalities	No.	0	0	0	0	0	0	0	0	0	0	-	0	0	0	0	0	0	0

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



GRI Standard

Statement of Use	Leopold KOSTAL Gmbh & Co. has reported the information cited in this GRI content index for the period 01.01.2023 - 31.12.2023 with reference to the GRI Standards.
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GRI 1 used in 2021	GRI 1: Foundation 2021
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GRI Standard	Disclosure	Location	page
GRI 2: General Disclosures 2021	2-1 Organisational details	About KOSTAL	7
	2-2 Entities included in the organisation’s sustainability reporting	List of reported companies	99
	2-3 Reporting period, frequency and contact point	About this report	102
	2-4 Restatements of information	N/A	N/A
	2-5 External assurance	About this report	102
	2-6 Activities, value chain and other business relationships	About KOSTAL	7
	2-7 Employees	Working at KOSTAL	68
	2-8 Workers who are not employees	Working at KOSTAL	68
	2-9 Governance structure and composition	Sustainability governance	15
	2-10 Nomination and selection of the highest governance body	Sustainability governance	15
	2-11 Chair of the highest governance body	Sustainability governance	15
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability governance	15
	2-13 Delegation of responsibility for managing impacts	Sustainability governance	15
	2-14 Role of the highest governance body in sustainability reporting	Sustainability governance	15
	2-22 Statement on sustainable development strategy	Sustainability governance	15
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality and stakeholder engagement	19
	3-2 List of material topics	Materiality and stakeholder engagement	19
	3-3 Management of material topics	Materiality and stakeholder engagement	19
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Compliance and ethics	27
	205-2 Communication and training about anti-corruption policies and procedures	Compliance and ethics	27
	205-3 Confirmed incidents of corruption and actions taken	Compliance and ethics	27
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance and ethics	27
GRI 301: Materials 2016	301-2 Recycled input materials used	N/A	N/A
	301-3 Reclaimed products and their packaging materials	N/A	N/A
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy consumption	45
	302-2 Energy consumption outside of the organisation	Energy consumption	45
	302-3 Energy intensity	Energy consumption	45
	302-4 Reduction of energy consumption	Energy consumption	45
GRI 303: Water and Effluents 2016	303-1 Interactions with water as a shared resource	Water	53
	303-2 Management of water discharge-related impacts	Water	53
	303-3 Water withdrawal	Water	53
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GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Decarbonisation	38
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	305-4 GHG emissions intensity	Decarbonisation	38
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	305-6 Emissions of ozone-depleting substances (ODS)	Decarbonisation	38
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Decarbonisation	38
	GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste
306-2 Management of significant waste-related impacts		Waste	49
306-3 Waste generated		Waste	49
306-4 Waste diverted from disposal		Waste	49
306-5 Waste directed to disposal		Waste	49
GRI 401: Employment 2020	401-1 New employee hires and employee turnover	Working at KOSTAL	N/A
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Working at KOSTAL	N/A
	401-3 Parental leave	Working at KOSTAL	N/A
GRI 403: Occupational Health and Safety 2016	403-1 Occupational health and safety management system	Health and safety	71
	403-2 Hazard identification, risk assessment, and incident investigation	Health and safety	71
	403-3 Occupational health services	Health and safety	71
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety	71
	403-5 Worker training on occupational health and safety	Health and safety	71
	403-6 Promotion of worker health	Health and safety	71



GRI Standard	Disclosure	Location	Page
GRI 403: Occupational Health and Safety 2016	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety	71
	403-8 Workers covered by an occupational health and safety management system	Health and safety	71
	403-9 Work-related injuries	Health and safety	71
	403-10 Work-related ill health	Health and safety	71
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Employee development	76
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee development	76
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Working at KOSTAL	N/A
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainability on our supply chain	82
	414-2 Negative social impacts in the supply chain and actions taken	Sustainability on our supply chain	N/A
GRI 415: Public Policy 2016	415-1 Political contributions	Working at Kostal	N/A
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	N/A	N/A
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	N/A	N/A
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Sustainability product design	57



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DC-T	305-4 GHG emissions intensity	Appendixes	88



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ESRS E3	WATER AND MARINE RESOURCES		
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E5-4	Resource inflows	Resource efficiency	N/A
E5-5	Resource outflows	Resource efficiency	N/A
E5-6	Potential financial effects from resource use and circular economy-related impacts, risks and opportunities	Resource efficiency	N/A



ESRS S		Location	Page
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SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model(s)	Sustainability strategy	22
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S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Compliance and ethics	27
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S4-1	Policies related to consumers and end-users	Sustainability product design	57
S4-2	Processes for engaging with consumers and end-users about impacts	Sustainability product design	N/A
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Sustainability product design	57
S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Sustainability product design	57

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IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Materiality and stakeholder engagement	19
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G1-2	Management of relationships with suppliers	Sustainability on our supply chain	82
G1-3	Prevention and detection of corruption or bribery	Compliance and ethics	27
G1-4	Confirmed incidents of corruption or bribery	Compliance and ethics	27



List of reported companies

Automobil Elektrik – Brazil

Sales, Research and Development
KOSTAL Eletromecânica Ltda.
São Bernardo do Campo – SP, Brazil

Automobil Elektrik – Brazil

Sales, Research and Development, Production
KOSTAL Eletromecânica Ltda.
Cravinhos – SP, Brazil

Automobil Elektrik – Brazil

Sales, Research and Development, Production
KOSTAL Eletromecânica Ltda.
Winton Churchill – SP, Brazil

Automobil Elektrik – Bulgaria

Research and Development
KOSTAL SofiaSoft Bulgaria EOOD
Sofia, Bulgaria

Automobil Elektrik – Bulgaria

Production, Research and Development
KOSTAL Bulgaria Automotive EOOD
Pazardzhik, Bulgaria

Automobil Elektrik – China

Sales, Research and Development, Production
KOSTAL (Shanghai) Management Co., Ltd.
Shanghai, China

Automobil Elektrik – China

Production
Shanghai KOSTAL –
Huayang Automotive Electric Co., Ltd.
Shanghai, China

Automobil Elektrik – China

Production
KOSTAL (Shanghai) Mechatronic Co., Ltd.
Shanghai, China

Automobil Elektrik – China

Production
KOSTAL (Changchun) Automotive Electric Co.,
Ltd.
Changchun, China

Automobil Elektrik – China

Production
KOSTAL (Guiyang) Mechatronic Co., Ltd.
Guizhou, China

Automobil Elektrik – China

Production
KOSTAL (Bao Ding) Mechatronic Co., Ltd.
Baoding, Hebei Province, China

Automobil Elektrik – China

Production
KOSTAL (Shanghai) Intelligent Equipment Co., Ltd.
Shanghai, China

Automobil Elektrik – Germany

Head office, Sales, Production, Research
and Development
KOSTAL Automobil Elektrik GmbH & Co. KG
Lüdenscheid, Germany

Automobil Elektrik – Germany

Research and Development
KOSTAL Automobil Elektrik GmbH & Co. KG
Dortmund, Germany

Automobil Elektrik – Germany

Production
KOSTAL Automobil Elektrik GmbH & Co. KG
Meinerzhagen, Germany

Automobil Elektrik – Germany

Sales
KOSTAL Automobil Elektrik GmbH & Co. KG
Munich, Germany

Automobil Elektrik – Germany

Sales
KOSTAL Automobil Elektrik GmbH & Co. KG
Sindelfingen, Germany

Automobil Elektrik – Germany

Head office, Sales
Research and Development, Production
KOSTAL Automobil Elektrik GmbH & Co. KG
Lüdenscheid, Germany

Automobil Elektrik – Germany

Sales
KOSTAL Automobil Elektrik GmbH & Co. KG
Ingolstadt, Germany

Automobil Elektrik – Germany

Sales
KOSTAL Automobil Elektrik GmbH & Co. KG
Wolfsburg, Germany

Automobil Elektrik – United Kingdom

Sales, Research and Development
KOSTAL UK Ltd.
Sheffield, United Kingdom

**Automobil Elektrik – France**

Sales
KOSTAL France
Guyancourt, France

Automobil Elektrik – India

Sales, Research and Development, Production
KOSTAL India Private Limited
Tamil Nadu, India

Automobil Elektrik – Ireland

Production
KOSTAL Ireland GmbH
Mountmahon, Ireland

Automobil Elektrik – Ireland

Production
KOSTAL Ireland GmbH
Mallow, Co. Cork, Ireland

Automobil Elektrik – Italy

Sales
KOSTAL Italia s. r. l.
Turin, Italy

Automobil Elektrik – Japan

Sales
KOSTAL Japan Co., Ltd.
Hiroshima, Japan

Automobil Elektrik – Japan

Sales, Research and Development
KOSTAL Japan Co., Ltd.
Kawasaki City, Japan

Automobil Elektrik – Korea

Sales, Research and Development
KOSTAL Korea Ltd.
Seoul, Korea

Automobil Elektrik – North Macedonia

Production
KOSTAL MAKEDONIJA DOOEL Ohrid
Ohrid, North Macedonia

Automobil Elektrik – Mexico

Production
KOSTAL Mexicana S. A. de C. V.
Acambaro, Mexico

Automobil Elektrik – Mexico

Production, Research and Development
KOSTAL Mexicana, S.A. de C.V
Querétaro, Mexico

Automobil Elektrik – Mexico

Production
KOSTAL Mexicana S. A. de C. V.
Queretaro, Mexico

Automobil Elektrik – Morocco

Production
KOSTAL Maroc, SARL. AU Zone
Tanger, Morocco

Automobil Elektrik - Poland

Production
KOSTAL Automotive Poland Sp. Z o.o.
Świdnik, Poland

Automobil Elektrik - Poland

Research and Development
KOSTAL Automotive Research & Development
Center Poland Sp. z o.o.
Wrocław, Poland

Automobil Elektrik – Sweden

Research and Development, Sales
KOSTAL Sweden AB
Gothenburg, Sweden

Automobil Elektrik – Spain

Production, Research and Development
KOSTAL Eléctrica, S. A.
Barcelona, Spain

Automobil Elektrik – Czech Republic

Engineering
KOSTAL Engineering CR, spol. s r.o.
Prague, Czech Republic

Automobil Elektrik – Ukraine

Engineering, Production
KOSTAL Ukraina TOV
Boryspil, Ukraine

Automobil Elektrik – Ukraine

Research and Development
KOSTAL Ukraina TOV
Kyiv, Ukraine

Automobil Elektrik – Ukraine

Production
KOSTAL Ukraina TOV
Pereyaslav-Khmelnytsky, Ukraine

Automobil Elektrik – USA

Sales, Research and Development
KOSTAL of America, Inc.
Troy, MI, USA

Connectors – Germany

Head office, Sales,
Research and Development, Production
KOSTAL Kontakt Systeme GmbH
Lüdenscheid, Germany

**Connectors – China**

Sales, Research and Development
KOSTAL (Shanghai) Kontakt Systeme
Manufacturing Co., Ltd
Shanghai, China

Connectors – Germany

Research and Development, Production
KOSTAL Kontakt Systeme GmbH
Dresden-Merbitz, Germany

Connectors – Czech Republic

Sales, Research and Development, Production
KOSTAL Kontakt Systeme GmbH
Jince, Czech Republic

Connectors – USA

Sales, Production, Research and Development
KOSTAL Kontakt Systeme, Inc.
Rochester Hills, Michigan, USA

Industrie Elektrik – Germany

Head office, Sales,
Research and Development, Production
KOSTAL Industrie Elektrik GmbH
Hagen, Germany

Industrie Elektrik - Poland

Production
KOSTAL Industrie Elektrik Poland Sp. Z o.o.
Świdnik, Poland

Solar Electric – Germany

Sales & Service
KOSTAL Solar Electric GmbH
Freiburg i. Br., Germany

Solar Electric – France

Sales & Service
KOSTAL Solar Electric France SARL
Guyancourt, France

Solar Electric – Italy

Sales & Service
KOSTAL Solar Electric Italia Srl
Rivoli (TO), Italy

Solar Electric – Spain

Sales & Service
KOSTAL Solar Electric Iberica S.L.
Paterna, Spain

Solar Electric – Greece

Sales & Service
KOSTAL SOLAR ELECTRIC HELLAS E.Π.Ε.
Thessaloniki, Greece

SOMA Test Technology – Germany

Sales, Research and Development, Production
SOMA GmbH

Global Business Services - Hungary

Business Services
KOSTAL Global Business Services Center Ltd.
Budapest, Hungary

Compleo Charging Solutions – Germany

Head office, Production
Compleo Charging Solutions GmbH & Co. KG
Dortmund, Germany

Compleo Connect GmbH

Production
Schlagen, German

Compleo Charging Solutions - Austria

Sales & Service
Compleo Charging Solutions GmbH
Vienna, Austria

Compleo Charging Solutions - Switzerland

Sales & Service
Compleo Charging Solutions AG Schweiz
Zürich, Switzerland

Compleo Charging Solutions - Sweden

Sales & Service
Compleo Nordic
Melmö, Sweden



About this report

In our second Sustainability Report, the KOSTAL Group showcases our environmental and social performance of 2023, and our progress compared to 2022.

At KOSTAL Group we are committed to conducting our activities with sustainability in mind. We understand our impacts and manage our business in a way that respects the environment and surrounding communities, and that brings positive benefits to society.

This report is addressed to our stakeholders—employees, customers, suppliers, public authorities, and NGOs—and all interested members of the public. We want to give them a transparent and credible picture of who we are and what we do and how we do it.

Period covered by the report.

The focus of its report is the calendar year 2023 (1 January 2023 to 31 December 2023).

Reporting cycle

KOSTAL intends to publish its Sustainability Report annually.

Scope of the report

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

GRI compliance

The Sustainability Report was prepared based on the GRI Standards (GRI-referenced). The disclosures referenced by this material are presented in each subchapter and in the 'ESG data' chapter.

External assurance

No third-party verification was performed.

Contact

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