

kontron

The Power of IoT

Non-financial Report 2024

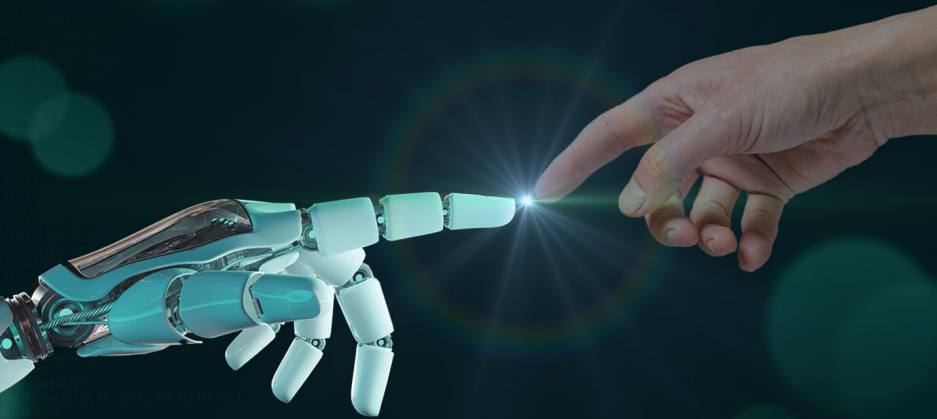


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NON-FINANCIAL REPORT 2024

1. General Basis for preparing the non-financial report

1.1. BP-1 – General basis for preparing the non-financial report

The present non-financial report has been prepared in accordance with Section 267a of the Austrian Commercial Code (UGB), in line with the requirements of the Sustainability and Diversity Improvement Act (NaDiVeG). In addition, the non-financial report has been voluntarily prepared in accordance with the European Sustainability Reporting Standards (ESRS) as part of the company's preparation for reporting obligations under the Corporate Sustainability Reporting Directive (CSRD). This ensures that the non-financial reporting of Kontron AG and the Kontron Group consistently reflects the economic, environmental, and social aspects of all affiliated companies and meets the legal requirements for transparency and comparability.

The scope of consolidation for the non-financial report corresponds to that of the consolidated financial statements. It includes Kontron AG and all subsidiaries over which Kontron AG has direct or indirect control. As part of the acquisition of Katek, Katek SE and its subsidiaries were fully consolidated into the consolidated financial statements of Kontron AG as of March 1, 2024. Similarly, Suntastic.solar was included in the Group as of November 1, 2024. Detailed information on this can be found in the notes to the consolidated financial statements, Part A, chapter "Scope of Consolidation". One company has not been included in the consolidated financial statements – and thus not in this non-financial report – due to its minor significance.

The Kontron Group's value chain played an important role in identifying the relevant topics for the non-financial reporting. It was considered not only in relation to the company's own operations, but also with regard to upstream and downstream value creation processes as part of the double materiality assessment.

Kontron has not made use of the option to omit specific information relating to intellectual property, know-how, or the results of innovation.

1.2. BP-2 – Disclosures in relation to specific circumstances

Kontron's sustainability report has been based on GRI standards in recent years. For the first time, the non-financial report for financial year 2024 is reported based on ESRS. This transition required adjustments to the ESG reporting tool and the initial collection of data points in line with ESRS requirements. Additionally, relevant Scope 3 data for 2023 was collected retrospectively as a basis for future data collection from 2024 onwards.

The recently acquired Katek Group also previously reported its ESG figures in accordance with GRI and was fully integrated into the Kontron Group in 2024. As part of this process, Kontron's double materiality analysis was updated and examined for topics relevant due to the production of power electronics in the former Katek companies. Since both Kontron and Katek are active in electronics manufacturing, the results were largely consistent. Only the topic of diversity was added as an additional material topic. To collect the individual key figures, Katek companies were integrated into Kontron's ESG reporting tool, ensuring their inclusion when setting up new ESRS-compliant key figures and the Scope 3 project.

The time horizons defined in ESRS 1 6.4 were used for the double materiality analysis:

- › **Short term:** the period used by the company as a reporting period in its financial statements: 1 year.
- › **Medium term:** from the end of the short-term reporting period, according to point a) up to five years.
- › **Long term:** more than five years.

When assessing the impacts, opportunities, and risks, all three time horizons were considered. The time horizon with the highest expected significance was documented and assessed in terms of both impacts and opportunities and risks. The reasons for choosing each time horizon were separately documented.

Uncertainties in the calculation and estimation of metrics may arise due to data gaps on the one hand and, on the other hand, from general assumptions that require the use of external data sources and data collection methods.

Parameters or metrics that include data from the upstream and downstream value chain are primarily related to environmental indicators. Estimations due to missing data from the value chain were particularly necessary in the context of calculating Scope 3 emissions. Uncertainties were especially present in the calculation of emissions from purchased goods and services, transportation, employee commuting, energy consumption of sold products, as well as in estimates regarding product lifespan, use phase, end-of-life treatment, and waste. Similarly, uncertainties occurred in metrics related to resource inflows and resource outflows.

For future reporting periods, the focus will be on improving data quality, for example, by using supplier-specific emission factors.

Details on the methodological foundations, estimation sources, measurement uncertainties, and assumptions applied can be found in the following sections: "2.2.6 E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions", "2.5.4 E5-4 – Resource inflows", "2.5.5 E5-5 – Resource outflows".

Additional quantitative metrics subject to estimations and result uncertainties relate to energy consumption and energy mix. Details regarding the methodological foundations, sources of estimations, measurement uncertainties, and assumptions can be found in section "2.2.5 E1-5 – Energy consumption and energy mix".

1.3. GOV-1 – The Role of Administrative, Management, and Supervisory Bodies

As of December 31, 2024, the Executive Board of Kontron AG consists of five members: Hannes Niederhauser (CEO) – Chief Executive Officer, Clemens Billek (CFO) – Chief Financial Officer, Michael Riegert (COO) – Chief Operating Officer, Philipp Schulz (COO) – Responsible for the North America and Aerospace divisions, Johannes Fues (COO) – Responsible for the GreenTec division.

EXECUTIVE BOARD MEMBER	COMPOSITION OF THE EXECUTIVE BOARD	EXPERIENCE	RESPONSIBILITY
Hannes Niederhauser	Chief Executive Officer, CEO	Extensive experience in the embedded computing industry and IoT, held leading positions in several technology companies	Expertise in strategic leadership, corporate development, and risk management
Clemens Billek	Chief Financial Officer, CFO	Extensive experience in finance, controlling, and investor relations	Responsible for financial management, risk management, legal & compliance, investor relations (IR), and internal audit. Oversees all ESG matters and the management of sustainability risks, opportunities, and their impacts
Michael Riegert	COO IoT Europe	Expert in IoT and embedded solutions, with experience in operations and production management	Responsible for IoT operations in Europe and the management of risks and opportunities within this segment
Philipp Schulz	COO Aerospace & Defense, North America	Experience as a business consultant and in business development and management within the manufacturing industry in Europe and North America	Responsible for business operations in Aerospace & Defense and North America, including risk & opportunities management in these areas

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EXECUTIVE BOARD MEMBER	COMPOSITION OF THE EXECUTIVE BOARD	EXPERIENCE	RESPONSIBILITY
Johannes Fues	COO GreenTec	Expertise in reorganization and transformation projects, asset management, and operations	Responsible for business operations and strategy in GreenTec, including risk and opportunities-management in this sector

The Supervisory Board of Kontron AG consists of five members: Claudia Badstöber (Chair), Bernhard Chwatal (First Deputy Chair), Steve Chu (Second Deputy Chair), Yolanda Wu and Joseph John Fijak. As a monitoring and advisory body, the Supervisory Board places particular emphasis on the integration of Diversity, Equity, and Inclusion (DEI) topics and encourages the Executive Board to incorporate them into corporate objectives. To support this, the Supervisory Board oversees a diversity program that aligns with the Corporate Governance Code. Responsibility for coordinating employee-related matters lies with the CEO. The role of liaison with cross-company employee representatives is held by the CFO. With diverse expertise in finance, technology, and corporate governance, the Supervisory Board members guide the company's strategic direction and corporate oversight.

SUPERVISORY BOARD MEMBER	COMPOSITION OF THE SUPERVISORY BOARD	EXPERIENCE	RESPONSIBILITY
Claudia Badstöber	Chair of the Supervisory Board, Vice Chair of the Audit Committee, Chair of the Nomination Committee, Chair of the Remuneration Committee	Extensive experience in finance, strategic corporate management, corporate governance, and compliance	Oversees corporate strategy, management, financial and remuneration risks, corporate governance, and compliance management
Bernhard Chwatal	1. Deputy Chair, Chair of the Audit Committee, Member of the Nomination and Remuneration Committee	Extensive experience in finance, strategic corporate management, and company development within the technology sector	Responsible for strategy, corporate management, and risk management
Fu-Chuan Chu (Steve Chu)	2. Deputy Chair	Extensive experience in technology, sales, and business development	Assesses technological opportunities and risks, market strategy
You-Mei Wu (Yolanda Wu)	Supervisory Board Member, Member of the Audit Committee, Member of the Nomination and Remuneration Committee	Expertise in finance and risk management	Evaluates international market risks and opportunities
Joseph John Fijak	Supervisory Board Member	Experience in sales, technology, and business development	Assesses business and technology risks

DIVERSITY OF THE EXECUTIVE BOARD	2024	2023	2022
Total Number of Executive Board Members	5	4	4
Male members (%)	100	100	100
Female members (%)	0	0	0

DIVERSITY OF THE SUPERVISORY BOARD	2024	2023	2022
Total number of Supervisory Board members	5	5	5
Male members	3	3	3
Female members	2	2	2
Proportion of independent committee members (%)*	40	40	40

* Independent indicates that the members are independent of the largest shareholder.

In some subsidiaries, employees and other workers are represented by a works council. Where no works council exists, responsibility for the workforce lies with local management.

Kontron AG ensures that responsibilities for impacts, risks, and opportunities are explicitly defined in the rules of procedure for the Executive Board and supervisory bodies. These mandates emphasize the integration of ESG aspects into decision-making processes, including the development and oversight of strategic initiatives. Governance-related policies such as the Supplier Code of Conduct, ESG strategy, and risk management frameworks establish a clear structure for accountability across all levels of the organization.

The Executive Board – consisting of the CEO, CFO, and three operational board members – plays a central role in governance processes, control mechanisms, and processes. These include identifying and prioritising impacts, risks, and opportunities, monitoring progress on ESG targets, and ensuring alignment with global standards such as the ESRS. A Group Sustainability Professional coordinates ESG activities across subsidiaries and reports directly to the CFO, who holds overall responsibility for ESG matters, including IROs. Management ensures transparency through data collection systems, regular audits, and stakeholder engagement.

Oversight of delegated roles is maintained through structured reporting lines and regular reviews.

These reporting lines are clearly defined within Kontron's governance structure. ESG topics are reported by the Group Sustainability Professional to the CFO, and then to the full Executive Board and the Supervisory Board. This structure enables timely decision-making and accountability. Sustainability-related impacts, risks and opportunities are regularly reported in management and Supervisory Board meetings to ensure strategic alignment.

Dedicated controls and processes for managing sustainability-related impacts, risks, and opportunities are embedded in Kontron's internal functions, including Controlling/Accounting, Legal/Compliance, and Risk Management. These departments collaborate with the ESG team to align sustainability efforts with operational matters. The implementation of an ESG reporting tool has enabled seamless data integration across all functions, supporting accurate and transparent reporting.

Administrative, management and supervisory bodies monitor the setting of targets in relation to material impacts, risks and opportunities via a step-by-step ESG plan. Progress is monitored using key performance indicators that are aligned with sustainability frameworks. Regular updates are presented to the Supervisory Board to ensure accountability and proactive adjustments.

The supervisory bodies regularly assess the need for expertise to effectively oversee sustainability matters. To evaluate and ensure the competence of responsible individuals, the bodies employ various actions, including regular evaluations, feedback discussions, competency analyses. Ongoing professional development includes targeted training programs for Executive Board members and employees, ensuring compliance with new standards and industry best practices.

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The Supervisory Board, Executive Board, and upper management possess expertise in areas such as climate risk assessment, ESG compliance and supply chain due diligence. This expertise is complemented by collaboration with external consultants and organizations, which support materiality analysis and strategy development.

1.3.1. G1-GOV-1 – The Role of Administrative, Management, and Supervisory Bodies

The Executive Board of Kontron AG holds primary responsibility for defining and implementing the company's corporate strategy for responsible business conduct. It ensures that all business activities adhere to the highest standards of integrity, transparency, and ethical behaviour. This includes implementing policies that align with corporate governance principles and legal requirements. The Executive Board works closely with central functions to effectively enforce compliance actions and corporate policies.

The Supervisory Board plays a key role in monitoring and advising the Executive Board on business conduct. As a control body, the Supervisory Board regularly reviews compliance with legal and regulatory requirements as well as the implementation of corporate policies. Particular emphasis is placed on compliance topics, including anti-corruption actions, data protection and adherence to ethical behaviour guidelines. The Supervisory Board also advocates for the integration of sustainable and responsible practices into the company's strategic objectives.

The local management teams of Kontron subsidiaries also contribute to ethical business conduct, ensuring that corporate policies are implemented and adhered to at the local level. They are responsible for aligning global corporate standards with local requirements while fostering a culture of integrity within their respective regions.

The expertise of the administrative, management, and supervisory bodies underscores the high priority that Kontron places on responsible business conduct. The Executive Board combines strategic competence with in-depth knowledge in areas such as corporate governance, compliance, and ethical business practices. Hannes Niederhauser has extensive experience in strategic corporate management, while Clemens Billek possesses expertise in capital markets, risk management, and regulatory compliance. Michael Riegert enhances this expertise with his deep knowledge of industrial automation and process optimization. Philipp Schulz has extensive leadership experience in consulting, business development, and risk management in Europe and North America. Johannes Fues brings expertise in finance, operations, and ESG, with a background in change management and restructuring.

The Supervisory Board also brings a diverse range of expertise, contributing to the oversight and promotion of responsible business conduct. Claudia Badstöber applies her extensive experience in finance and risk management, while Bernhard Chwatal specializes in finance, restructuring, and compliance. Steve Chu and Joseph John Fijak bring broad expertise in technology and international business practices. Yolanda Wu strengthens the board with her expertise in corporate governance, financial reporting, and auditing.

Furthermore, all members of the administrative, management, and supervisory bodies receive regular training on critical topics such as anti-corruption actions, data protection, and ESG standards. This continuous professional development ensures that they remain informed of the latest trends and best practices in responsible business conduct.

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

In 2024, five Supervisory Board meetings were held in which ESG reporting was included on the agenda. Additionally, a comprehensive training session for Supervisory Board members on the latest ESG regulations was conducted. During this session, the CFO provided the five members of the Supervisory Board with detailed information on current ESG topics. Key areas of focus included the materiality assessment, including evaluation of the IRO analysis, progress on implementation, relevant legislation, and the current status of actions.

Risk reporting from the Executive Board to the Supervisory Board forms an essential part of the reporting process. It provides the Supervisory Board with comprehensive information on the Group's material impacts and risks, as well as the actions taken to mitigate those risks. As such, risk reporting plays a key role in the Supervisory Board's decision-making.

ESG-related risks in connection with material sustainability topics were also analyzed within the Group risk management framework. Together with the CFO, appropriate counteractions were defined. The material topics included: E1 – Adaptation to climate change: Innovative products (opportunity); transition risks related to climate change (risk), E1 – Energy (risk), E5 – Resource inflows: resource use (opportunity), E5 – Resource outflows: products and services (opportunity), G1 – Corruption and bribery (Risk). The Management Board and the Supervisory Board of Kontron AG have dealt with the most important risks that were identified and assessed as part of the group-wide risk management. Although risks from the ESG area were taken into account, they had no material influence on the Group's overall risk assessment. Consequently, no explicit compromises had to be made.

1.5. GOV-3 – Integration of sustainability-related performance in incentive schemes

In addition to a fixed remuneration component, Executive Board members also receive short-, medium-, and long-term remuneration components. Different rules apply to short-term variable remuneration for Executive Board members. The CEO does not receive any short-term variable remuneration. The variable remuneration of COOs is closely linked to the company's financial performance, with operating profit and cash flow serving as key performance indicators. Extraordinary effects, such as acquisitions, are evaluated separately when assessing pre-agreed performance targets. The key figures are calculated on the basis of the audited consolidated financial statements of the Kontron Group. The CFO's short-term variable remuneration is tied to specific targets, particularly M&A and integration objectives.

By granting subscription rights under stock option programs, an additional long-term, performance-based, share-linked remuneration component was introduced, fostering beneficiaries' interest in the company's long-term sustainable development. The stock options granted under the various stock option programs can only be exercised after multi-year holding periods defined in the programs and when certain thresholds have been reached.

The remuneration, as approved at the Annual General Meeting in 2021, generally includes medium-term targets for improvements in the area of sustainability. However, no specific remuneration was granted for this in the past financial year. The remuneration of the Supervisory Board is, in accordance with legal and corporate governance requirements, a fixed compensation. There is no variable remuneration linked to the company's financial performance or the achievement of sustainability-related goals. The Supervisory Board and its Remuneration Committee decide on the remuneration of the Executive Board. The Executive Board defines the incentive system for Kontron's management. In the current performance components, no specific sustainability-related targets have been applied, and as of the publication date of this report, no dedicated actions are in place. Accordingly, climate-related considerations are currently not included in remuneration, nor are achievements assessed based on GHG emissions reduction targets. No further incentives or percentage-based figures are applicable in this context.

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1.6. GOV-4 – Statement on due diligence

The following overview outlines the existing and implemented processes to fulfill due diligence obligations concerning sustainability aspects.

KEY ELEMENTS OF DUE DILIGENCE

SECTIONS IN THE NON-FINANCIAL REPORT

a) Integration of due diligence into governance, strategy, and the business model	See 1.3. GOV- 1 – The role of administrative, management and supervisory bodies
b) Involvement of affected stakeholders in all key due diligence steps	See 1.11. IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities
c) Identification and assessment of negative impacts	See 1.11. IRO- 1 – Description of the processes to identify and assess material impacts, risks and opportunities
d) Actions to mitigate these negative impacts	Actions to mitigate negative impacts are described in Chapters 2 (Environment), 3 (Social Information), and 4 (Governance Information) under the respective sub-topics in accordance with MDR-A. At the time of reporting, it should be noted that specific targets and resources were largely not yet defined. These key building blocks to enhance sustainability efforts will be developed as part of a phased plan. The first priority is to improve data generation. Following this, reliable data will be leveraged to define clear targets, implement targeted actions, and allocate necessary resources. Cross-group actions to prevent potential negative impacts will be developed based on the findings of the first ESRS-compliant data collection and reporting. However, it should be emphasized that many companies and locations have already implemented actions independently. Through certifications such as ISO 14001 (environmental management), ISO 45001 (occupational health and safety management), and ISO 50001 (energy management), location-specific negative impacts have been assessed, and corresponding action plans have been formulated. These structured approaches ensure continuous improvement and the minimization of negative environmental and social impacts.
e) Monitoring the effectiveness of these efforts and communication	Since the targets and actions will only be developed based on the first reporting in accordance with the ESRS, it is not yet possible to report on the effectiveness of these efforts or their communication for the year 2024.

1.7. GOV-5 – Risk management and internal controls over sustainability reporting

Kontron ensures the quality and reliability of its sustainability reporting through a structured risk management system and internal controls. The management of sustainability reporting is carried out through the following steps:

- › Assignment of responsibilities: In the respective subsidiaries of the Kontron Group, responsibility for sustainability reporting and the related data provision lies with the local finance managers. At the Group level, overall responsibility for sustainability reporting rests with the Chief Financial Officer (CFO). The Executive Board reports to the Supervisory Board not only on financial matters but also on non-financial reporting topics.
- › Internal organization: A Group Sustainability Professional coordinates the reporting processes and ensures compliance with reporting requirements. This is done in continuous coordination with the CFO.
- › Internal audit and control mechanisms: Dedicated controls and processes related to sustainability reporting are integrated into Kontron's internal functions, including Controlling/Accounting, Legal/Compliance, and Risk Management. These departments collaborate throughout the entire reporting process with the Group Sustainability Professional and the ESG team to ensure compliance with all reporting requirements. The implementation of an ESG reporting tool has enabled seamless data integration across all functions, supporting accurate and transparent reporting.

The risk management process in the context of sustainability reporting is carried out as follows:

- › Identification and assessment: Kontron's Group Risk Management regularly identifies risks across various areas and locations multiple times per year, including sustainability risks as part of this systematic process. In preparation for the CSRD reporting requirements, two in-depth analyses were conducted: a double materiality assessment and a climate risk analysis to evaluate both physical and transitional risks in detail. As part of the materiality assessment, impacts were evaluated in terms of positive or negative impacts, potential, scale, likelihood, timeframe, position in the value chain, reversibility, and with regard to human rights. The physical climate risk analysis examined the company's locations with respect to the impacts of climate change. Through a quantitative assessment, the IROs were systematically recorded. All results were integrated into the Group-wide risk management system, evaluated, and aligned with the Group's overall risk assessment. Risk assessment models and materiality scores were used in the process.
- › Risk management, monitoring, and reporting: Each ESG risk is assigned to a responsible party ("Risk Owner"), who oversees risk mitigation actions. Risk assessments are updated and tracked as part of the regular reporting to the Group Risk Manager, who then consolidates and reports them to the Executive Board. The management teams of the Group companies are required to comment on material risks. The Group Head of Internal Audit coordinates the risk assessment process, which includes validating and monitoring the bottom-up risk reporting. In addition, an ad-hoc risk reporting mechanism is in place for newly emerging risks or the deterioration of existing risks, forming the basis for internal ad-hoc audits outside of the regular audit cycle. Risks are first discussed by the Executive Board and then submitted to the Supervisory Board for review and potential approval.

Structured processes ensure transparent and comprehensive risk assessment at all company levels. Further control mechanisms related to risk management in sustainability reporting are currently being expanded. To ensure the quality of these assessments, external experts are also consulted. Further details about the structure of the risk management framework and internal control system can be found in the management report, specifically in the chapters "Forecast, Opportunities and Risk Report" and "Internal Control System, Group Accounting Process, and Risk Management System".

Non-financial reporting may involve various risks that impact the credibility and accuracy of the report. These include, in particular, incorrect data, inadequate control mechanisms and a lack of transparency. Possible risks and corresponding actions to minimize them as part of the internal control system are presented below:

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RISKS IN SUSTAINABILITY REPORTING

MITIGATION STRATEGIES

Incorrect or incomplete data entry: Insufficient accuracy in the collection and entry of ESG data.	Standardized input forms in the “ESG Cockpit” online reporting tool. Plausibility checks (e.g. summary checks, reconciliation with previous periods where possible). Validation processes carried out by data collectors and ESG and controlling group functions.
Inadequate documentation: Lack of supporting evidence or calculation bases for reported data points.	Upload function for relevant documents (e.g. invoices, certificates). Data quality review conducted by internal auditors and external consultants (Scope 3).
Discrepancies between reporting years: Unclear or unexplained changes in ESG data (e.g. energy consumption).	Comparison with previous year figures and deviation analysis (from 20%). Queries addressed to data collectors to clarify discrepancies.
Inconsistency with financial metrics: Discrepancies between ESG data and financial reports.	Alignment of ESG data with financial data from consolidation tools (e.g. Cognos).
Lack of consistency and comparability: Variations in data quality and level of detail among subsidiaries.	Training sessions and manuals for ESG officers. Benchmarking against locations with high data quality.
Lack of external validation: Lack of additional data verification by independent bodies.	Collaboration with external consultants to review and enhance data quality.
Low data quality in smaller subsidiaries: Challenges in precise ESG data acquisition.	Joint analysis of issues with subsidiaries. Definition and implementation of corrective actions.
Implausible estimated or calculated data: Risks due to inaccurate or unverifiable estimates.	Clear classification of data accuracy (exact/calculated/estimated) in the “ESG Cockpit”. The need for transparent and verifiable calculation records.
Lack of traceability: Uncertainty regarding data ownership and accountability.	Clear assignment of responsibilities in the “ESG Cockpit”.
Greenwashing: Exaggerated or misleading representations of sustainability actions could harm reputation and credibility.	Compliance with recognized standards: Adherence to the reporting standard (CSRD) to ensure consistency and comparability.
Stakeholder communication: Actions to ensure that reporting aligns with stakeholders' expectations.	Stakeholder dialogue: Stakeholders were engaged in a comprehensive survey to ensure their perspectives were considered in the materiality analysis.
Technical system failures: Risks due to technical issues in the “ESG Cockpit” or during data processing could cause disruptions.	Alternative data collection via Excel as a contingency measure. Pre-emptive extraction of data from the data tool.

1.8. SBM-1 – Strategy, business model, and value chain

Kontron develops innovative hardware and software solutions for key industries of the future. With the introduction of the GreenTec division in 2024, the company is strategically focusing on sustainable technologies. The focus is on control electronics for photovoltaic systems, intelligent charging solutions for electric vehicles, and smart energy systems that actively contribute to the energy transition. A key milestone is a major order for intelligent wallboxes that enhance charging efficiency and user-friendliness. Additionally, Kontron provides IoT-enabled energy management systems that allow companies to monitor energy consumption in real time and optimize efficiency.

Beyond the energy sector, Kontron plays a pivotal role in automation. The susietec® IoT toolset supports manufacturing companies in their digital transformation, facilitating predictive control of production processes. The transport sector also benefits from Kontron's IoT solutions: In the rail industry, digital communication systems are developed to enhance infrastructure efficiency and sustainability.

In medical technology, Kontron enhances patient care through real-time IoT applications, while in aerospace, robust IFEC systems and satellite-based communication solutions aid in reducing CO₂ emissions. Kontron's 5G and RAN technologies drive digital connectivity and infrastructure development. The company also plays a key role in the automotive sector, offering telematics and infotainment solutions that enable autonomous driving and intelligent vehicle connectivity.

As a globally leading provider of intelligent energy solutions, Kontron is advancing the transformation of traditional power grids into digitally controlled smart grids. The combination of IoT- and AI-powered systems reduces costs, enhances energy efficiency, and lowers the CO₂ footprint. By employing sustainable materials and energy-efficient manufacturing processes, the company prioritizes environmentally friendly value creation and assists businesses in achieving their sustainability goals.

› Divisions and Product Groups:

- › Renewable Energy: Solutions for photovoltaic systems and their integration into smart grid systems.
- › E-Mobility: Smart wallboxes for charging electric vehicles.
- › IoT-Enabled Energy Management Systems: Products for real-time monitoring and optimization of energy consumption.
- › Smart Energy Systems: Management and optimization solutions for smart grids.

› Key Markets:

- › Private Energy Supply: Focus on private households or industries seeking independence from electricity providers.
- › Industrial Customers: Companies aiming to optimize their energy consumption and achieve their sustainability goals.
- › European Market: A market heavily influenced by the EU Green Deal and increasing regulatory requirements.
- › Global Markets: Kontron operates in 23 countries and is committed to international expansion.

› Customer Groups:

- › Companies with Sustainability Goals: Organizations seeking to enhance energy efficiency, lower costs, and reduce CO₂e emissions.
- › Smart Grid Operators: Customers transitioning from conventional power grids to smart grids.
- › Automotive Sector: Customers in the e-mobility sector relying on smart charging infrastructure.
- › Technology Companies: Partners and customers requiring IoT- and AI-powered solutions for automation and fault detection.

Kontron serves a broad range of markets and customer groups that prioritize sustainability, efficiency, and technological innovation. There are no known restrictions on products or services in specific markets.

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GEOGRAPHICAL AREA	NUMBER OF EMPLOYEES
America	743
Asia	276
Europe	7,019
Africa	7
Total	8,045

The number of employees is disclosed in the non-financial report in accordance with ESRS (headcount) and differs from the number of employees (in FTE) reported in the notes to the consolidated financial statements.

Although some Kontron Group products and technologies encompass advanced defense systems, the Kontron Group is not engaged in the manufacture or sale of controversial weapons. Furthermore, the company has no involvement in the manufacture or production of controversial weapons within the supply chain. Consequently, no revenue is generated in this context.

The key product groups, markets, and customer groups, along with their respective reasons for significance and their connection to sustainability goals, are listed below. An assessment regarding sustainability goals will only be possible after the planned specification of the targets.

KEY PRODUCT (GROUP) OR SERVICE AND KEY MARKETS	REASON FOR RELEVANCE	CONNECTION TO SUSTAINABILITY GOALS (SDGS)
GreenTec (since 2024): Pioneer in regenerative technologies	With its newly established future-focused "GreenTec" division, Kontron provides high-quality solutions in solar energy and e-mobility. A key component includes control electronics for photovoltaic systems and the rapidly expanding segment of intelligent charging solutions for electric vehicles.	Advancing sustainable mobility and renewable energy (SDG 11: Sustainable cities and communities) and reducing CO ₂ e emissions through more efficient transport infrastructure.
Automation: Solutions for industrial automation	Increasing demand for digitalization, automation, and smart factories. Reduction of production costs and enhancement of efficiency.	Kontron supports customers in their digitalization journey with the proprietary developed IoT toolset susietec®. As part of the toolset, our "KontronOS" operating system ensures the highest security standards for IoT applications. (SDG 9: Industry, innovation, and infrastructure).
Transportation: Rail digitalization	Through our comprehensive mobility solutions featuring intelligent and reliable IoT services, we facilitate the digitalization of the transport sector. Kontron is materially involved in research into future train communication technology such as FRMCS.	Encouraging sustainable mobility (SDG 11: Sustainable cities and communities) and reducing CO ₂ e emissions through more efficient transport infrastructure.
Medical Technology: Digital innovation in healthcare	The Internet of Things (IoT) continues to rapidly drive the transformation of the healthcare market. Through intelligent and practical applications that provide real-time data, Kontron enhances patient care with its solutions.	Promoting health and well-being (SDG 3: Good health and well-being).

KEY PRODUCT (GROUP) OR SERVICE AND KEY MARKETS	REASON FOR RELEVANCE	CONNECTION TO SUSTAINABILITY GOALS (SDGS)
Aerospace: Ultra-rugged solutions for the IFEC market	Kontron provides a comprehensive range of hardware and software IFEC systems. Since 2023, Kontron has been delivering solutions that enable satellite-based connectivity across geostationary (GEO), medium (MEO), and low Earth orbits (LEO).	Supporting CO ₂ e reduction through optimized communication systems and fostering sustainable innovations (SDG 13: Climate change mitigation actions), along with energy-efficient, durable technologies in safety-critical applications (SDG 9; SDG 13).
Energy: Smart energy solutions	Kontron is advancing the development of hardware and software solutions for intelligent power grids, energy providers, and industrial customers. Our smart energy solutions contribute to resource conservation and CO ₂ e emissions reduction.	Advancing clean energy (SDG 7: Access to affordable and clean energy) and supporting climate change mitigation through enhanced network efficiency (SDG 13).
Communication & connectivity: 5G evolution	Kontron is a leading European IoT provider driving the digital transformation of telecommunications. Our expertise in 5G and RAN technology know-how enables access to high-efficiency digital networks.	Contributing to infrastructure enhancement and bridging digital divides (SDG 9: Industry, innovation, and infrastructure) and promoting sustainable cities (SDG 11).
Automotive and autonomous driving	With over 20 years of experience in infotainment and telematics, Kontron provides bespoke connectivity solutions through its Network Access Devices (NADs). These facilitate intelligent vehicle networking for the automotive sector.	Contributing to infrastructure enhancement and bridging digital divides (SDG 9: Industry, innovation, and infrastructure).

KEY CUSTOMER GROUPS	REASON FOR RELEVANCE	CONNECTION TO SUSTAINABILITY GOALS (SDGS)
Manufacturing companies (Industry 4.0)	Growing demand for automation and digitalization. Optimizing production processes and reducing costs.	Contributing to efficient resource use and sustainable production methods (SDG 9: Industry, innovation, and infrastructure).
Railway operators and transport companies	Modernization of rail infrastructure through communication solutions (e.g. GSM-R, FRMCS). Enhancing safety and efficiency in railway transport.	Promoting sustainable mobility and reducing transport emissions (SDG 11: Sustainable cities and communities; SDG 13: climate change mitigation actions).
Hospitals and healthcare providers	Providing IoT-based solutions for medical technology to improve patient care and optimize resource efficiency.	Promoting health and well-being (SDG 3: Good health and well-being) and reduction of resource consumption through smart technologies.
Airlines and defense	Cutting-edge solutions for aerospace (e.g. LEO satellite connectivity) and defense. Enhanced passenger experience, operational efficiency, and robust control and defense systems.	Supporting CO ₂ e reduction through efficient communication systems and sustainable innovations in aerospace, as well as energy-efficient, durable technologies in safety-critical applications (SDG 9; SDG 13).

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KEY CUSTOMER GROUPS	REASON FOR RELEVANCE	CONNECTION TO SUSTAINABILITY GOALS (SDGS)
Energy suppliers	Transitioning from conventional power grids to intelligent smart grids. Optimizing energy flows and enhancing grid security.	Advancing clean energy and efficient grid solutions (SDG 7: Ensuring access to affordable and clean energy; SDG 13: climate change mitigation actions).
Telecommunications providers	Developing robust 5G and broadband solutions for rural and private networks. Enhancing connectivity and digitalization in remote regions.	Enhancing digital infrastructure and bridging the digital divide (SDG 9: Industry, Innovation, Infrastructure; SDG 11: Sustainable cities and communities).
Car manufacturers (OEMs)	The demand for connectivity solutions for autonomous driving and secure in-vehicle communication.	Supporting sustainable and innovative transport technologies (SDG 11: Sustainable cities and communities; SDG 13: climate change mitigation actions).
Public Institutions	Demand for specialized solutions (e.g. communication and network technologies) to enhance efficiency and modernize infrastructure.	Supporting sustainable public services and cities through innovative technologies (SDG 11: Sustainable cities and communities; SDG 9: Industry, innovation, and infrastructure).

The Kontron Group's strategy is strongly focused on sustainability, aiming to integrate ESG actions across all business areas. A key component is the reduction of the CO₂ footprint, supported by investments in renewable energy, such as the expansion of photovoltaic systems, the deployment of energy-efficient technologies like heat pumps at company sites, and the promotion of electric mobility. Challenges in this area include the suitability of locations (structural conditions, building orientation, legal issues related to lease agreements and the duration of tenancy), economic value added, and available resources. Kontron also promotes sustainable supply chains through the introduction of a revised supplier code, prioritizing environmental, social, and governance (ESG) standards. The corporate strategy also includes the expansion of GreenTec initiatives, such as the development of intelligent control systems for photovoltaic systems and e-mobility. With a step-by-step ESG roadmap extending to 2030—including the halving of Scope 1 and Scope 2 emissions—Kontron reaffirms its commitment to a sustainable future. These strategic elements not only ensure compliance with legal requirements such as the CSRD but also enhance the company's market position and contribute to positive social impact.

The Kontron Group is a leading technology company specializing in the Internet of Things (IoT). Following the divestment of its IT services business, the company has, since 2023, focused on three business segments: "Europe," "Global," and "Software + Solutions". Kontron provides a broad portfolio of integrated hardware, software, and service solutions deployed across vertical markets such as industrial automation, 5G connectivity, medical technology, energy, and transport. The company independently develops technologies, ranging from IoT-enabled products to specialized software solutions such as the KontronOS operating system. Through targeted acquisitions, such as the Katek Group and IoT pioneers, Kontron continuously expands its portfolio, focusing on digitalizing and optimizing production processes, safeguarding critical infrastructure, and fostering a sustainable energy future.

Kontron AG offers a wide range of IoT-enabled solutions, including hardware, software, and services tailored to industries such as industrial automation, healthcare, energy, and transportation. These outputs can deliver material benefits to customers by increasing operational efficiency, enabling real-time data analytics, and driving innovation through products such as KontronOS and the susietec® toolset. For investors, the company's focused IoT strategy has already resulted in strong financial growth, with IoT earnings more than doubling within two years and further growth anticipated. The company's emphasis on sustainability – particularly through green energy initiatives and resource efficiency – aligns with stakeholder values and enhances long-term resilience. These outcomes foster customer trust, investor confidence, and broader societal impact through technological advancement, sustainable practices, and responsible corporate governance.

Kontron AG adopts a comprehensive approach to capturing and securing inputs across the entire value chain. Key inputs include data, technologies, materials, and expertise obtained through internal research and development, as well as partnerships with customers and suppliers. Procurement is conducted in accordance with sustainable criteria outlined in our Supplier Code, which emphasizes environmental, labour, and human rights standards. Additionally, a group-wide ESG management system facilitates the integration of sustainability into business processes. Modern IT solutions, including Kontron's proprietary KontronOS operating system, ensure data security and safeguard critical information. The combination of local expertise, global know-how and strict compliance actions ensures a secure and innovative development of submissions.

Kontron AG holds a strategic position within the IoT value chain, functioning both as a developer and a provider of integrated hardware, software, and service solutions. Within the upstream value chain, the company relies on a supplier network that adheres to the strict environmental, social, and governance standards outlined in the Supplier Code. This guarantees the procurement of sustainable, high-quality materials and components. Key suppliers include those providing components, electronic products, and software services. In the downstream value chain, Kontron supplies IoT-enabled products and solutions to industries such as industrial automation, health-care, transport, and energy, driving digital transformation and operational efficiency. Sales are conducted on a B2B basis through the company's dedicated sales teams. Through customer-centric innovations, such as the susietec® toolset and KontronOS, the company bridges the upstream supply chain with customer demands, fostering a comprehensive and resilient value chain. This strategic direction solidifies Kontron's position as a leading provider in the industrial IoT sector.

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1.9. SBM-2 – Interests and views of stakeholders

The engagement of diverse stakeholder groups is crucial to ensuring transparent and sustainable corporate development. Continuous dialogue across various communication channels captures expectations, concerns, and suggestions for improvement. The insights gained inform decision-making processes and contribute to the optimization of strategies, processes, and initiatives. This ensures the alignment of economic, social, and environmental responsibilities while fostering long-term corporate success. The key stakeholder groups include customers, suppliers, employees, media, investors, advocacy groups, NGOs, rating agencies, analysts, legislators, local communities, and the Supervisory Board.

Various stakeholder groups are regularly engaged. This primarily applies to employees, customers, suppliers, media, investors, and advocacy groups, including NGOs.

ENGAGED STAKEHOLDER GROUPS	METHOD OF ENGAGEMENT	PURPOSE OF ENGAGEMENT	CONSIDERATION OF OUTCOMES
Employees	Email Social media Internal communication channels Employee surveys Training and e-learning Policies Corporate publications Events Whistleblower portal	Respectful interaction Appreciation Equity Compliance Flexible working Safe workplace Fair pay Work-life balance Health and workplace safety Involvement in planning Professional training and development	Adaptation of policies and internal processes Improving working conditions Ongoing training programs Encouraging an open corporate culture Incorporation of employee survey feedback into corporate strategy
Customers	Email Phone calls In-person contact Website Corporate publications Whistleblower portal Industry events	High product and service quality Complaint management Product return options Commitment to compliance Supply chain transparency Environment Human rights Privacy	Enhancing product and service quality Optimizing complaint management (whistleblower system, feedback to sales and business development) Adaptation of sustainability certifications and ratings Enhancing transparency across the supply chain Ensuring compliance with cybersecurity requirements
Suppliers	Email Phone calls In-person contact Corporate publications Website Audits Whistleblower portal Industry events	Delivery quality Compliance Transparency	Supplier guidelines Expansion of audit processes Enhancing collaboration through regular communication Ensuring adherence to compliance requirements

ENGAGED STAKEHOLDER GROUPS	METHOD OF ENGAGEMENT	PURPOSE OF ENGAGEMENT	CONSIDERATION OF OUTCOMES
Workers in the Value Chain	Policies: SCoC Audits Company publications Website Whistleblower portal	Stable supply Working conditions Human rights Fair wages Health and safety Working time regulations Compliance with environmental standards	No direct communication Improvement of social and environmental standards in the supply chain Adaptation of the Supplier Code of Conduct Enhanced controls and audits Development of actions to improve working conditions
Media	Email Phone calls and conferences Interviews/press releases Corporate publications Website Whistleblower portal	Information Transparency Compliance Responsibility	Media relations Regular publication of sustainability reports in compliance with official requirements Providing clear information for journalists Enhancing external communication
Investors	Email, telephone calls, and conferences Legal capital market information and ad hoc notifications Press releases, roadshows Personal contact Corporate publications Website Whistleblower portal	Information Transparency Compliance Responsibility Profitability Dividend Foreign exchange gains	Advancement of ESG strategy and ratings Enhancing transparency in financial reports Ensuring compliance with regulatory requirements Incorporation of sustainability criteria into investment decisions
Interest groups, NGOs	Email Phone calls Press releases Corporate publications Website Whistleblower portal	Information Transparency Compliance Collaboration Responsibility	Membership in social and environmental initiatives Participation in industry-specific working groups and dialogue formats

Kontron considers the interests and perspectives of its stakeholders as an integral part of its corporate strategy. Close collaboration with customers, partners, employees and investors enables Kontron to address specific needs and integrate them into the development of IoT solutions. Regular feedback sessions, workshops and industry studies ensure that the expectations of all relevant groups are considered. Stakeholder interests, particularly in sustainability, digitalization and efficiency improvements, are directly incorporated into the strategic direction. As a B2B company, Kontron upholds high standards for quality, safety and sustainability. Through regular exchanges, audits and compliance requirements, Kontron ensures that its technologies are used responsibly and that human rights are upheld throughout the value chain.

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Starting with the financial year 2022, Kontron has implemented material strategic adjustments to further strengthen its focus on the IoT business. The strategic focus was a key demand from the capital market and investors. This included the divestment of IT service companies and the realignment of business segments into Europe, Global and Software + Solutions. These changes reflect Kontron's aim to achieve sustainable growth and high margins through IoT innovations. This strategy continued in 2024 with the acquisition of Katek SE, the largest acquisition in the company's history.

The feedback from the stakeholders mentioned has contributed to Kontron prioritizing sustainable technologies and industry-specific IoT solutions. Further expansion of the high-margin software business remains a core focus of Kontron's strategy. Through targeted acquisitions, such as the acquisition of the Katek Group, Kontron established a new "GreenTec" division specializing in environmental technologies such as photovoltaic control systems and intelligent charging solutions for electric vehicles.

In 2025, Kontron plans to finalize the integration of acquired companies and implement synergies in sustainability and IoT. Additionally, the product portfolio is to be further expanded through internal developments and partnerships. Completion of these steps is expected by the end of 2025.

As a result of the planned actions, Kontron anticipates stronger stakeholder engagement, particularly through its sustainable and innovative corporate direction. This will further reinforce Kontron's reputation as a trusted partner in the IoT industry. Kontron's Executive Board and Supervisory Board receive regular updates on stakeholder interests and opinions through reports, analyses and direct meetings. This also includes reports from external ESG rating agencies.

As outlined, Kontron ensures that the interests, opinions, and rights of its workforce – including respect for their human rights – are actively integrated into the company's strategy and business model. This is achieved through a strict code of conduct, regular employee surveys, direct discussions, whistleblower channels, and training and development programs. The insights gained are systematically assessed and incorporated into the CoC to ensure fair working conditions, equality, occupational health and safety, and a sustainable corporate culture. These actions guarantee that employee needs are considered and embedded in corporate strategies for the long term. This has no impact on the business model or overall strategy.

The rights and interests of workers in the value chain are firmly anchored in the SCoC and are regularly monitored through audits. The company also provides information on these matters through corporate publications and its website. A whistleblower portal is available for submitting concerns or reports. Feedback from B2B clients is actively received and taken into account.

1.10. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

In 2023, the double materiality analysis was conducted with the support of an external auditing and consultancy firm. In 2024, this analysis was expanded to include the materiality assessment of the newly acquired Katek Group and was updated to reflect new legal regulations and interpretations of applicable laws, particularly regarding the inclusion of time horizons. The objective was to identify the material topics for the entire Kontron Group and to establish a foundation for compliance with CSRD reporting requirements.

The value chain of the Kontron Group played a key role in determining relevant topics for non-financial reporting. It was analyzed not only in relation to Kontron's own operations but also in terms of upstream and downstream value streams as part of the double materiality analysis. For this purpose, the three business segments – Hardware, GreenTec, and Software – were analyzed separately (see figure: Analysis of the Value Chain and Allocation of Material Topics).

Upstream Value Chain:

- › Hardware and GreenTec: Includes processes such as raw material production, processing, assembly, and in some cases, transportation.
- › Software: Covers software architecture and coding as upstream processes.

Own Operations:

- › Hardware and GreenTec: Includes activities such as assembly, functional testing, quality control, sales, and marketing.
- › Software: Covers compilation & development, software installation, sales, and marketing.

Downstream Value Chain:

- › Hardware and GreenTec: Includes final assembly, installation, transportation, and the end-of-life phase (including refurbishment/reuse).
- › Software: Considers sales and marketing, as well as possible impacts on end users.

Environmental, social, and governance (ESG) topics – such as climate protection, working conditions, and human rights – were integrated across all stages of the value chain.

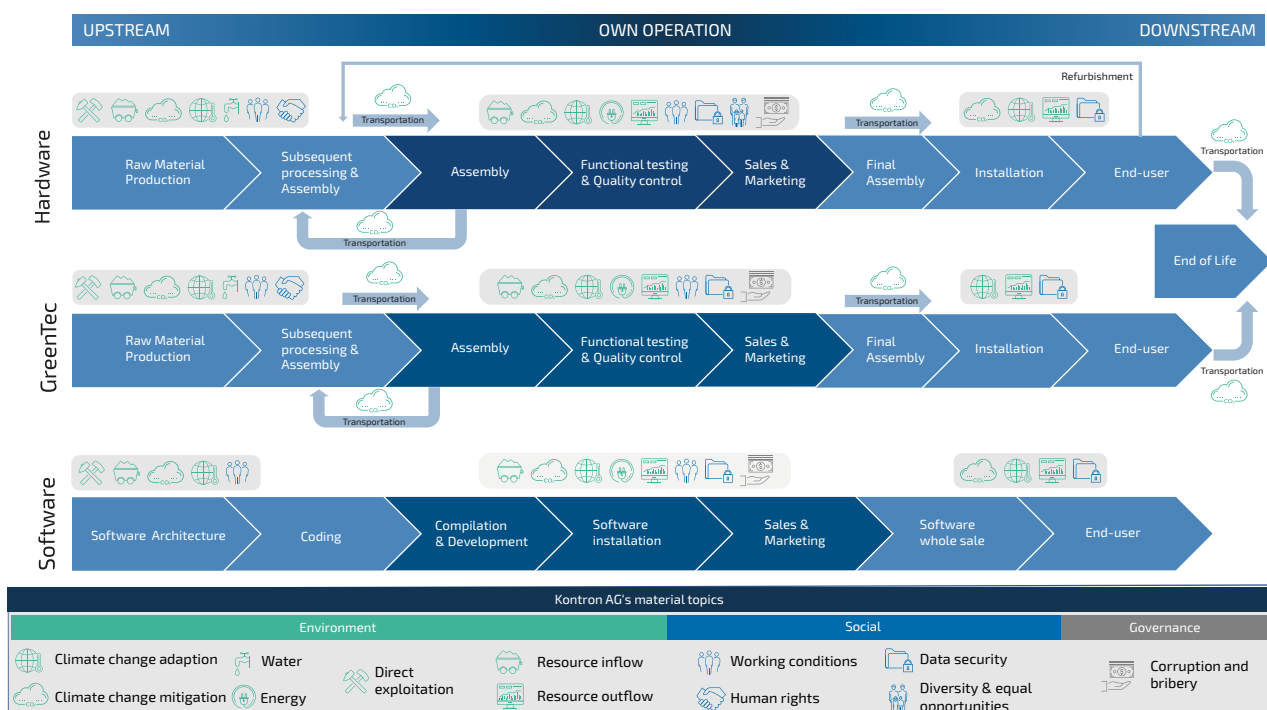


Figure: Analysis of the Value Chain and Allocation Key

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The figure illustrating material topics includes icons at the bottom, each representing a key aspect (e.g., "Climate Change Adaptation"). These icons are categorized under Environment, Social, and Governance (ESG) topics. The three horizontal layers in the graphic represent the individual steps in the value chain that were analyzed, as well as the distribution of material topics along the value chain.

These material topics will be regularly reviewed to ensure their relevance and adapted as necessary, for instance, in response to changes in business activities. The materiality analysis process followed the methodology described in Chapter 1.11. IRO-1 – Description of the Processes for Identifying and Assessing Material Impacts, Risks, and Opportunities. The IROs (Impacts, Risks, and Opportunities) were assessed based on the following criteria: Scale, scope, time horizon, Likelihood, Irremediability, actual or potential impact. Some topics did not meet the materiality threshold, but they were identified as highly important in the 2023 stakeholder survey. As a result, the following four topics were additionally included in the report to address stakeholder interests: Health and Safety, Training and Skills Development, Collective Bargaining Coverage & Social Dialogue, Persons with Disabilities.

The following figure presents the results of the materiality analysis:

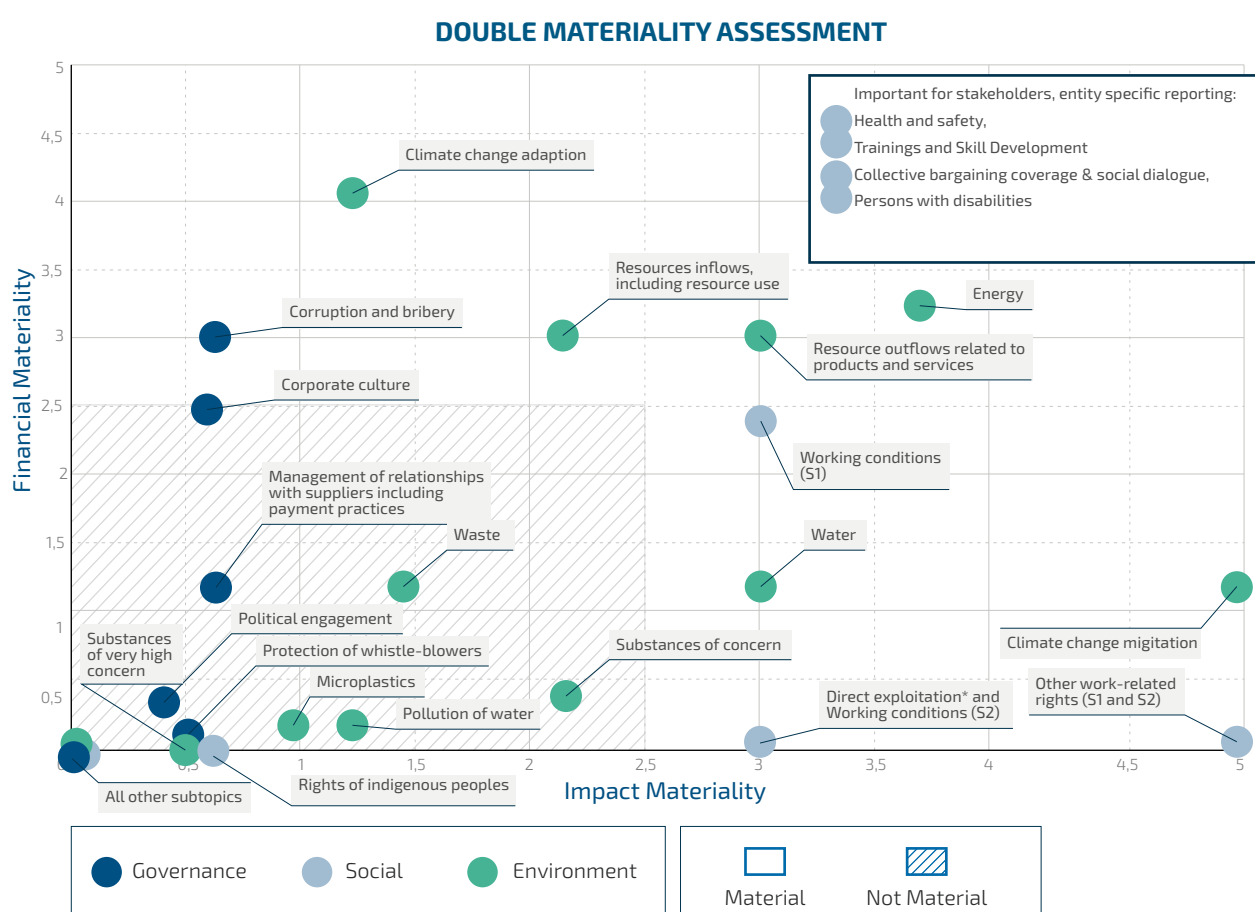


Figure: Results of Kontron's Materiality Analysis

The vertical axis of the diagram represents financial materiality, while the horizontal axis represents impact materiality. Zero indicates no materiality, while 5 signifies very high materiality. The points in the grey-shaded area at the bottom left were identified as minor, while the topics in the white area are material for Kontron. The box in the top-right corner lists the topics that do not exceed the threshold of 2.5 but remain highly relevant to the company's stakeholders, as indicated by our stakeholder analysis and inquiries from rating agencies.

The resilience of Kontron Group's strategy and business model is based on its focus on profitable growth and market leadership in the industrial IoT segment. Despite global economic uncertainties, the company follows a clear strategy aimed at increasing profitability, optimizing working capital, and generating positive cash flows. Kontron expands its market position through continuous innovation, an increased focus on software and services, and targeted acquisitions. Risks are identified, assessed, and managed through a group-wide risk management system. The implementation of the COSO framework, regular internal audits, and a structured opportunity management approach further strengthen the company's resilience. The material IROs identified in the materiality analysis had no influence on the strategy and business model in 2024. The Supervisory Board is informed about the processes relating to ESG issues and IROs at the regular Supervisory Board meetings and the IROs are integrated into risk management.

The impacts, risks, and opportunities subject to ESRS disclosure requirements are outlined below. To address stakeholder interests, company-specific disclosures are provided on the following topics: Health and Safety, Training and Qualification, Collective Bargaining and Social Dialogue, People with Disabilities.

The following overview outlines the material topics, their impacts, the time frame of their influence, and their relation to the strategy and business model. Material financial risks and opportunities are expected to have a material impact on the net assets, financial position and results of operations, but no material risks that would require a material adjustment to the carrying amounts of the assets and liabilities recognized in the corresponding financial statements in the next reporting period.

The following tables present the disclosures:

(SUB-) TOPIC	MATERIAL IMPACT	POSITIVE (+) OR NEGATIVE (-) IMPACT	CORRELATION WITH STRATEGY AND BUSINESS MODEL	TIME FRAME
E1 - Climate Change Mitigation	A direct and indirect contribution to climate change arises from greenhouse gas emissions generated through direct and indirect fossil fuel use (Scope 1, 2 and Scope 3) during production and transport—both in the upstream and downstream value chain, as well as in Kontron's own operations. These emissions are expected to have long-term impacts.	-	At present, such emissions are hardly avoidable using state-of-the-art technology and therefore require adequate actions to minimize the environmental impact of the business model (see Chapter "2.2.3 E1-3 - Actions and resources in relation to climate change policies"). To reduce the negative impact of CO ₂ e emissions, Kontron deploys energy-efficient technologies, sustainable production processes, and IoT solutions that optimize energy consumption and minimize the CO ₂ -e footprint of its products. All Kontron sites adhere to national energy laws, and many have obtained various environmental and energy certifications, such as ISO 50001 and ISO 14001.	Long-term
E1 - Energy	Kontron's products and services may high energy consumption, leading to a direct impact on energy consumption.	-	The Kontron Group's business model, which specializes in the development of IoT and Industry 4.0 technologies, comprises energy-intensive hardware and software solutions. By focusing on energy-efficient technologies, such as smart energy solutions and the introduction of IoT-as-a-Service (IoTaaS), Kontron aims to optimize energy consumption during the usage phase, thereby mitigating negative impacts. The GreenTec division tackles the challenge of high energy consumption by developing renewable energy solutions, e-mobility technologies, and intelligent energy systems.	Short, medium, and long term

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(SUB-) TOPIC	MATERIAL IMPACT	POSITIVE (+) OR NEGATIVE (-) IMPACT	CORRELATION WITH STRATEGY AND BUSINESS MODEL	TIME FRAME
E3 - Water	The procurement of minerals and chip production in Kontron's upstream supply chain require material water consumption, posing potential risks of resource depletion, ecosystem disruption, and potential burdens on local communities in water-scarce regions.	-	Microchips and other raw-material-based components are indispensable in Kontron Group's products. To address this challenge in the upstream value chain, Kontron prioritizes sustainable materials (see Resource Conservation Strategy), implements energy-efficient production processes, and enforces compliance with responsible procurement and manufacturing standards among partners, in accordance with the Supplier Code of Conduct. This approach aims to minimize environmental impact across the entire value chain.	Short, medium, and long term
E4 - Direct Exploitation	The extraction and use of rare metals and minerals in the upstream value chain can destroy habitats, threaten biodiversity, and materially impact flora and fauna (actual impact).	-		Medium term
E5 - Resource outflows related to products and services	Optimized production and repairable products developed by Kontron help conserve resources, extend product life cycles, and reduce environmental impact (actual impact).	+	Kontron's business model, which focuses on the development of proprietary technologies, sustainable IoT solutions, power electronics, and energy generation & utilization technologies in mobility, promotes resource-efficient value creation through recycling in production processes.	Medium and long term
S1 - Working Conditions	Over the years, Kontron AG subsidiaries have developed various initiatives aimed at enhancing working conditions (actual impact): These include additional benefits such as meal subsidies, extra leave days for volunteer work or birthdays, and corporate bicycles (job bikes). Travel allowances strengthen employee engagement while also contributing to a potential CO ₂ e reduction.	+	In financial year 2024, Kontron AG invested in social benefits and focused on integrating new entities and employees through standardized processes, unified IT systems, and employee engagement initiatives. Actions to enhance working conditions include ergonomic office equipment, training on occupational psychology and workplace safety, as well as flexible Home-Office policies. The Kontron Group follows the philosophy of "hire for attitude, train for skills" and supports employees through internal training programs such as the Sustainable Leadership Academy, alongside financial assistance for external training. In doing so, the company reinforces its strategy of being an attractive employer, retaining employees long-term, and supporting their professional and personal growth.	Short term
S1 - Working Time	A supportive work environment is fostered through policies prioritizing employee well-being, such as flexible working hours (actual impact). This helps reduce stress and enhance job satisfaction. Additionally, numerous individual company agreements are in place.	+		Short- and medium-term
S1 - Working Time	Excessive working hours without adequate breaks contribute to employee burnout (actual impact), increased error rates, and high staff turnover.	-		Short, medium, and long term

(SUB-) TOPIC	MATERIAL IMPACT	POSITIVE (+) OR NEGATIVE (-) IMPACT	CORRELATION WITH STRATEGY AND BUSINESS MODEL	TIME FRAME
S1 - Gender Equality and Equal Pay for Work of Equal Value	Market-driven pay inequalities between sectors (e.g., technical professions vs. social services) continue to exist and represent a direct impact.	-	In financial year 2024, Kontron AG invested in social benefits and focused on integrating new entities and employees through standardized processes, unified IT systems, and employee engagement initiatives. Actions to enhance working conditions include ergonomic office equipment, training on occupational psychology and workplace safety, as well as flexible Home-Office policies. The Kontron Group follows the philosophy of "hire for attitude, train for skills" and supports employees through internal training programs such as the Sustainable Leadership Academy, alongside financial assistance for external training. In doing so, the company reinforces its strategy of being an attractive employer, retaining employees long-term, and supporting their professional and personal growth.	Medium and long term
S1 - Actions Against Violence and Harassment in the Workplace	Enhanced safety actions exceeding legal requirements promote employees' sense of security and well-being (actual impact).	+		Short term
S1 - Diversity	A diverse workforce (ethnic, gender, age-related, etc.) brings varied perspectives and enhances communication. Kontron has gained positive experience with diverse teams (actual impact).	+		Medium and long term
S1 - Other Work-Related Rights	However, misconduct, neglect, and other human rights violations can potentially occur in high-risk areas.	-		Medium and long term
S2 - Other Work-Related Rights	The use of conflict minerals poses various potential risks, particularly in mining regions, impacting both the value chain and human rights conditions.	-		Short, medium, and long term

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The following list presents the material identified risks and opportunities for our own operations. Opportunities listed below can have a positive impact and risks can have a negative impact on the net assets, financial position and results of operations of the company:

(SUB) TOPIC	MATERIAL RISK OR OPPORTUNITY	OPPORTUNITY OR RISK
E1 - Climate change adaptation	Innovative products: Kontron is tapping into new market segments by developing products tailored to the rising demand for sustainable solutions. The company focuses on the needs of environmentally conscious consumers, fosters the adoption of renewable energy, and supports increased energy independence. At the same time, Kontron is mitigating reliance on volatile energy markets through innovative, resource-efficient technologies.	Opportunity
E1 - Climate change adaptation	Transition risks posed by climate change: Due to the escalating impact of climate change, including acute and chronic physical risks, Kontron potentially faces heightened financial risk exposure. These risks could potentially disrupt operations and affect investment costs, but are not considered to jeopardise the strategy or business model.	Risk
E1 - Energy	Kontron faces financial risks associated with rising energy costs and potential energy supply disruptions. Such risks could potentially hinder production efficiency and result in higher operational costs.	Risk
E5 - Resource inflows, including resource use	Kontron prioritizes the use of more sustainable materials for non-technical components. Renewable or highly recyclable materials are utilized to support circularity and resource conservation and represent a selling point.	Opportunity
E5 - Resource outflows related to products and services	Kontron advances product circularity and longevity through the use of renewable and recyclable materials, as well as modular components. This enables Kontron to stand out on the market alongside other competitors.	Opportunity
G1 - Corruption and bribery	Corruption can lead to severe reputational damage and material penalties for Kontron, compromising corporate integrity and financial credibility.	Risk

1.10.1. E1-SBM-3 – Material impacts, risks, and opportunities, and their interaction with strategy and business model

Climate change-related physical risks are classified as material only when considered collectively at the company-wide level, rather than as individual climate risk categories. Additionally, two climate-related transition risks were identified as material for the company: replacing existing products and services with lower-emission alternatives and the potential failure of investments in new technologies. These are summarised under the two risks associated with E1 – Climate Change Adaptation.

To assess the resilience of its strategy and business model regarding climate change, Kontron AG conducted a climate risk analysis in the reporting year, evaluating whether individual risk categories could materially impact the company's strategy and/or business model. The climate scenarios and time horizons applied align consistently between the climate and resilience analysis. For physical risks, a 35-year time horizon and four climate scenarios – RCP2.6, RCP4.5, RCP6.0, and RCP8.5, as outlined by the Intergovernmental Panel on Climate Change (IPCC) – were utilized. For transition risks, three time horizons were considered: short term (up to one year), medium term (one to five years), and long term (over five years). Based on the examples from the ESRS and internal inputs, a list of relevant climate-related transition risks and opportunities was compiled, distributed across the areas of "Policy & Legal," "Technology," "Market," and "Reputation", and coordinated with the corporate risk management function. The transition assessments were carried out under the general assumption of a 1.5-degree scenario in accordance with the Paris Agreement, as this scenario assumes a strict regulatory environment – especially within the European Union.

The physical risks were assessed for the company's own locations and recognized warehouses at customer locations, while the transition risks were analyzed for the entire value chain, including the company's own business activities. The resilience analysis therefore covers the entire value chain with the exception of the physical risks in the upstream value chain and outside the customer consignment warehouse locations in the downstream value chain. In all cases, resilience was assessed based on the potential extent of damage using qualitative assessments by the internal experts involved in the climate risk analysis or by the Group-wide risk management function. This assessment was completed in January 2025 for the reporting year. With regard to the risks associated with a transition to a low-greenhouse gas economy, it was assumed that a strict regulatory environment, particularly within the European Union, can be expected, which is likely to result in major market, technological and reputational changes that will require high levels of investment in low-emission production and products and a corresponding increase in demand. Financial impacts and necessary resources were only roughly estimated as part of the general scope thresholds of the Group-wide risk management process and will be quantified more precisely in future. Above all, efforts are constantly being made to reduce energy consumption. The energy mix in the individual countries depends on the respective political and technological developments, whereby a move away from fossil fuels is desirable.

The resilience analysis of climate risks indicates that the two transition risks – the replacement of existing products and services with lower-emission alternatives (E1 Climate Change Adaptation – Innovative Products) and potentially unsuccessful investments in new technologies (E1 Climate Change Adaptation – Transition Risks from Climate Change) – could impact Kontron AG's strategy and/or business model in the long term. This is especially relevant in a 1.5-degree scenario, where high investment pressure and the need to reduce greenhouse gas emissions are critical factors. This risk stems primarily from the need to implement novel, lower-emission technologies and solutions, which, in hindsight, could prove less effective than competing technologies – many of which are also only partially tested – potentially leading to a long-term competitive disadvantage for Kontron AG.

Consideration of risk-prone assets and business activities when determining the company's strategy, investment decisions, and ongoing and planned climate change mitigation actions:

Sustainability risks are an integral part of the Group's risk management system and are assessed with the same level of diligence as other risks. Statutory analyses are conducted and will be further reinforced if necessary. Risks and opportunities are internally assessed by the responsible teams, reviewed by the Executive Board, and subsequently presented to the Supervisory Board for discussion and potential approval. Where necessary, third-party experts are consulted to ensure a well-founded and comprehensive risk assessment. Certain aspects of the risk assessment have already been integrated into the internal audit process, while additional control mechanisms are currently being developed.

Based on the resilience analysis, uncertainties exist regarding physical climate risks in the upstream value chain, as these have not yet been specifically assessed. In particular, dependencies on specific raw materials such as rare earths and/or product components could materially impact business model resilience if global supply chains are disrupted by climate-related natural disasters or long-term climate changes. Going forward, this aspect will also be comprehensively assessed within the framework of the climate risk analysis. For

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own operations as well as the downstream value chain, physical climate risks are considered elevated but are not assessed as threatening to the strategy or business model.

In the short term, efforts focus on the continuous optimization of operational processes to reduce emissions and exploit efficiency potential. This includes actions such as improving energy efficiency and increasing the use of renewable energy sources. Regular risk management ensures ongoing monitoring and, if necessary, the ability to act on business-related risks.

In the medium term, the ongoing development of the product and service portfolio is promoted to meet growing market demands and regulatory requirements. This includes the modernization of existing assets to align them with new technological standards. At the same time, strong emphasis is placed on the training and reskilling of employees to actively shape the transformation process.

In the long term, the business model will be progressively transformed in line with market trends, incorporating innovative solutions that support a sustainable economy. Through strategic partnerships and continuous investment in future-proof technologies, we ensure that our company remains competitive and continues to strengthen its role as a responsible player in its industries.

1.10.2. E4-SBM-3 – Material impacts, risks, and opportunities, and their interaction with strategy and business model

The extraction of critical materials and substances in the upstream value chain can materially impact the environment, particularly biodiversity. The extraction of raw materials, for instance, leads to habitat destruction, which directly contributes to the endangerment and loss of biodiversity. This primarily applies to upstream processes in the value chain, which can potentially have medium-term impacts. Based on an analysis conducted via the Natura2000 online platform, the company's sites were assessed for their proximity to areas of high ecological sensitivity. Each location was surveyed to assess whether it had any impact on nearby areas and biodiversity. No negative impacts were identified.

The following list outlines the key company-operated sites to be considered based on majority ownership:

EUROPE/WORLDWIDE	COUNTRY	CITY
Europe	Austria	Bergheim, Donawitz, Ebbs, Engerwitzdorf, Götzis, Graz, Hagenberg im Mühlkreis, Innsbruck, Kapfenberg, Linz, Vienna, Schwertberg, Salzburg, Kufstein, Bisamberg
	Belgium	Machelen, Kortrijk
	Bulgaria	Saedinenie, Sofia
	Czech Republic	Horní Suchá, Liberec, Prague, Plzeň
	France	Besançon, La Garde, Mitry-Mory, Montigny-le-Bretonneux, Toulouse, Valbonne
	Germany	Augsburg, Berlin, Burscheid, Deggendorf, Dresden, Düsseldorf, Frickenhausen, Fürth, Grassau, Greifswald, Hamburg, Hilden, Immenstaad, Ismaning, Kaufbeuren, Leipzig, Limbach-Oberfrohna, Mauerstetten, Memmingen, Munich, Roding, Saarbrücken, Schorndorf, Stuttgart, Wendlingen am Neckar, Witten, Langweid am Lech, Balingen, Echting, Goslar, Mammendorf, Schwäbisch Hall, Sinsheim, Stadtbergen, Aachen, Neuhausen, Ansbach, Böblingen, Vilshofen on the Danube
	Hungary	Budaörs, Győr, Pécs, Tab, Taksony
	The Netherlands	Schiphol-Rijk
	North Macedonia	Skopje
	Poland	Warsaw
	Portugal	Aveiro, Lisbon
	Romania	Bucharest, Galați
	Slovenia	Celje, Kranj, Ljubljana, Maribor
	Spain	Bilbao, Pozuelo de Alarcón, Derio, Torrejon de Ardoz, Alcala de Henares, Alcorcon, Loiu, Santa Coloma de Gramenet, Chiclana de la Frontera, Oviedo
	Switzerland	Ittigen, Rotkreuz
	United Kingdom	Chichester, London, Trowbridge

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EUROPE/WORLDWIDE	COUNTRY	CITY
Worldwide	Algeria	Les Sources Bir Mourad Rais, Alger
	Canada	Boisbriand, Cornwall, Sainte-Therese
	China	Beijing, Shanghai, Dongguan
	Kazakhstan	Almaty
	Malaysia	Perai
	Singapore	Singapore
	Taiwan	Taipei
	United States	Madison, Newark, Renton, San Diego, Springfield, Hillsboro, Columbus, Ashburn, Seattle, Newnan
	Uzbekistan	Tashkent
	South Korea	Seongnam

Based on an analysis conducted via the Natura2000 online platform, the company's own sites were assessed for their proximity to areas of high ecological sensitivity. Each site was evaluated using questionnaires to determine whether it had any impact on nearby areas and biodiversity. No negative impacts were identified during this process. The results are presented in the table below.

COMPANY NAME	EUROPE/ WORLDWIDE	CITY, COUNTRY	IMPACT
beflex electronic GmbH	Europe	Hamburg, Germany	No impact
Kontron Beteiligungs GmbH; Kontron Europe; Kontron Acquisition GmbH	Europe	Ismaning, Germany	No impact
Kontron Electronics GmbH	Europe	Frickenhausen, Germany	No impact
Kontron Electronics Kft.	Europe	Pécs, Hungary	No impact
Kontron Hungary Ltd	Europe	Budaörs, Hungary	No impact
Kontron Public Transportation Arce S.A.U.	Europe	Alcala de Henares, Spain	No impact

COMPANY NAME	EUROPE/ WORLDWIDE	CITY, COUNTRY	IMPACT
Kontron Solar GmbH	Europe	Memmingen, Germany	No impact
Kontron Transportation Deutschland GmbH	Europe	Immenstaad, Germany	No impact
Kontron Transportation Schweiz AG	Europe	Bösingen, Germany	No impact
Suntastic.Solar GmbH	Europe	Bisamberg, Austria	No impact

No material impact on soil degradation, desertification, or soil sealing was identified within the company's operations.

Based on the described analysis, we conducted a survey among units located near or within designated high-biodiversity areas. No material impact of the company's business activities on endangered species was identified.

1.10.3. S1-SBM-3 – Material impacts, risks, and opportunities, and their interaction with strategy and business model

All individuals employed by the Kontron Group who can be materially impacted by the company are included within the disclosure scope in accordance with ESRS 2. The following groups are included in the company's workforce: All employees who were employed by a Kontron Group company in 2024. This also includes trainees, interns, apprentices, as well as employees on parental leave, study leave, or sick leave.

The following types of employees and non-employees within Kontron's workforce (External workers) could be materially affected by the company's activities. No actual impacts were identified, but potential impacts were noted for the following groups:

- › Employees: Workers who have an employment relationship with the company.

External workers:

- › Temporary workers: Affected by scheduling, contract terms, and temporary working conditions.
- › Freelancers (Self-employed): Impacted by project contracts, remuneration, and integration into corporate processes.
- › Agency workers: Impacted by coordination between staffing agencies and Kontron, particularly concerning fair working conditions and rights.

In the double materiality analysis, the following potential negative impacts, arising from systemic conditions or individual cases, were identified as possible and, in some cases, are already being mitigated through preventive counteractions. The following impacts are only potential; no actual or systemic impacts were identified:

- › S1 – Working time: Risks of employee overload Imposing or encouraging excessively long working hours without sufficient breaks can lead to burnout, increased errors, and high employee turnover, potentially systemic.
- › S1 – Gender equality and equal pay: Systemic wage inequality in the sector, particularly market-driven disparities (e.g., technical professions generally receive higher pay than social services).
- › S1 – Other work-related rights: Neglect, misconduct, and human rights violations – ranging from unethical practices to systemic abuses – can potentially occur in high-risk areas but not systemic.

Kontron's positive actions benefit all types of employees, including full-time staff, part-time workers, working students, interns, temporary employees, and freelancers. Specific groups, such as parents with flexible working arrangements or employees in multicultural teams, additionally benefit from individual agreements and the promotion of diversity. Data protection and fair compensation have global relevance, with Europe standing out due to strict data protection regulations and equality initiatives.

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Potential negative impacts have also been identified in the company's own workforce. Temporary employees, working students, employees in countries with weak labour law enforcement, employees in low-wage sectors and people with caring responsibilities or without sufficient access to grievance mechanisms tend to be particularly vulnerable to work-related negative impacts.

- › S1 Working hours: Excessive working hours without breaks increase the risk of burnout and staff turnover.
- › S1 Equality & pay: Pay differences and equality actions harbour potential for conflict; women in particular are still affected here.
- › S1 Other rights: A lack of risk analyses can facilitate human rights violations in the supply chain.

At the time of publication of this report, there is no transition plan. When drawing up such a plan, attention will be paid to avoiding any negative impact on the company's own workforce.

1.10.4. S2-SBM-3 – Material impacts, risks, and opportunities, and their interaction with strategy and business model

The Kontron Group operates globally in the electronics and technology sector, with a value chain encompassing a diverse workforce. Workers in the upstream supply chain are among the most materially affected, including those involved in raw material extraction, manufacturing, component trading, and logistics. Various groups of workers were considered as part of the materiality assessment, but there was no specific identification of individuals with characteristics that might make them more vulnerable.

The Kontron Group places great emphasis on responsible labour practices throughout its value chain. This entails compliance with legal requirements, the promotion of human rights, and the implementation of risk mitigation actions, particularly in high-risk sectors. The actual and potential impacts on workers in the value chain, in accordance with ESRS 2 IRO-1 (Description of the Processes for Identifying and Assessing Material Impacts, Risks, and Opportunities), do not originate from nor are they connected to the company's strategy or business model. The impacts do not influence the company's strategy and business model or contribute to their adjustment.

An explicit risk of, and therefore also a (potentially) negative impact from, child labour, forced or compulsory labour among employees in the company's value chain was evaluated. It was found that the actual risk exists particularly in the context of conflict minerals, where the extraction and trade of certain raw materials may be linked to the financing of armed groups in conflict regions. These situations are often associated with severe human rights violations, including child labor and environmental degradation. Such minerals are frequently used in electronic components.

The Kontron Group recognizes this risk and is committed to actively addressing these human rights issues through strict supply chain controls, transparency initiatives, and adherence to international standards such as the OECD Guidelines for Responsible Supply Chains.

- › **Time frame:** Human rights violations in the upstream value chain can occur over all periods of time and have systemic traits of exploitation.
- › **Scale of impact:** Such violations would have a severe impact on affected workers, materially disrupting their living and working conditions.
- › **Affected workforce group:** The impacts are generally limited to a specific subset of individuals within the upstream value chain.
- › **Difficulty of remediation:** These violations are extremely challenging to monitor and difficult to remediate in the long term. A lack of transparency in mining regions, coupled with complex supply chains, further complicates negative impact mitigation efforts.
- › **Probability:** These impacts are considered potentially present, but a quantitative probability assessment was excluded from the calculation to prioritize the analysis of potential impacts.

The Kontron Group takes a proactive approach to improving labour conditions across the supply chain. Suppliers failing to meet appropriate labour standards are actively excluded from cooperation. This approach creates a strong incentive for suppliers to enhance their labour standards, as future cooperation with Kontron is conditional on compliance with these requirements. Through this approach, the Kontron Group not only enhances the well-being of workers in the supply chain but also drives sustainable improvements in labour conditions across the entire value chain.

- › **Implementation:** Suppliers that fail to meet the standards are excluded at the outset of the business relationship. Screening systems for supplier verification have already been implemented.
- › **Time frame:** Short-term – Actions such as identifying and excluding non-compliant suppliers are implemented promptly.
- › **Impact Scale:** Moderate impact on workforce wellbeing and business practices.
- › **Scope:** The impact is limited exclusively to Kontron's internal value chain.
- › **Actions:** The company adheres to geopolitical sanctions and leverages these actions to enhance working conditions across the supply chain.

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

To gain a comprehensive understanding of the Kontron Group's material sustainability-related impacts, risks, and opportunities (IROs), the materiality assessment as procedure for identifying, assessment, prioritization and monitoring of impacts on humans and the environment was carried out in several structured steps.

Methods and Assumptions:

Kontron carried out a double materiality assessment, considering both impact materiality (impacts on the environment and society) and financial materiality (financial risks and opportunities). The methodology was based on ESRS 1 and 2.53 and included a systematic identification, assessment, and prioritization of risks and opportunities.

- › The process began with the creation of a long list containing all ESRS topics.
- › Kontron's internal departments analyzed and reviewed the impacts, risks, and opportunities (IROs) across these topics. The IROs identified were reviewed by an external consultant and served as the basis for the final assessment of both impact and financial materiality. In a materiality workshop with key representatives from the Kontron Group, the findings from steps 1 and 2 were discussed. Based on the IROs identified in step 2, Kontron's subject matter experts evaluated and validated the impact and financial materiality of each ESRS topic.
- › As part of a structured evaluation process, stakeholders were actively involved through an online survey. The purpose of the survey was to systematically capture and assess the relevance of the topics identified by Kontron. Stakeholders were able to provide their input on the various topics, offering valuable insights into their priorities and perspectives. They were also given the opportunity to submit additional impacts not previously identified. The results of the stakeholder input were incorporated into the overall impact assessment. This approach ensures that stakeholder views and priorities are reflected in the identification of material impacts.
- › The prioritization of topics was based on the following elements: impact materiality scores, financial materiality assessment, and stakeholder feedback, all of which were used to validate the impact materiality scoring and internal evaluations.

Focus on Specific Risk Factors: The analysis focused on key activities within the hardware, software, and GreenTec sectors, as well as business relationships and regional conditions with elevated risk (e.g. supply chains in high-risk areas).

Process for Identifying and Prioritizing Potential and Actual Impacts: Consideration of business relationships and high-risk regions: Kontron considered both its own operations and its full value chain, including suppliers and partners. Particular attention was paid to supply chain risks (e.g. labor rights or environmental issues in production countries).

Involvement through Own Operations or Business Relationships: The analysis covered both direct and indirect impacts, for example through product design, manufacturing, and supplier management.

Stakeholder Consultation: Kontron involved employees, customers, suppliers, investors, and other stakeholders via online surveys and workshops. In total, 692 employees, 7 customers, 21 suppliers, 4 investors, and other stakeholders participated in the 2023 stakeholder survey.

Prioritization of Negative and Positive Impacts:

- › Negative impacts were prioritized according to scale, scope and irremediability.
- › Positive impacts were prioritized according to scale and scope.
- › Evaluations were based on a scoring system from 0 to 5 for severity and 0 to 1 for likelihood of occurrence.
- › The maximum value of each individual component (scale, scope, or irremediability) determined the overall severity level, in accordance with ESRS section 1, paragraph 45.

Process for Assessing Financial Risks and Opportunities:

Link between impacts and financial risks/opportunities: Risks and opportunities were assessed at both the operational level (direct impacts) and the strategic level (long-term financial impacts).

Assessment of likelihood and financial impact: Financial materiality is determined on the basis of qualitative and quantitative criteria in accordance with ESRG 1.3.3. Time frame: Short-term (1 year), medium-term (up to 5 years), long-term (over 5 years).

Prioritization of sustainability risks compared to other risks: Sustainability risks are integrated into the overall risk management and aligned with traditional financial and business risks. Tools such as risk assessment models and materiality scores are used.

Decision-making and internal control procedures:

The results of the materiality assessment were validated in management workshops and formally approved by the Executive Board. Internal control systems and audits ensure implementation and follow-up.

Integration into overall risk management:

Sustainability risks are part of the integrated risk management system and are incorporated into regular company evaluations. The results are used to assess the overall risk profile.

Incorporation of opportunities into management processes:

Sustainability-related opportunities influence investments in new technologies, markets, and business models.

Input parameters used:

- › Data sources come from internal risk management, stakeholder surveys, and industry benchmarks.
- › Covered processes include the entire value chain, from raw material sourcing to product use.
- › Level of assumption detail: Use of standardized scoring scales (0–5) and likelihood probabilities (0–1).

Changes Compared to the Previous Reporting Period: The methodology for assessing materiality was revised as part of the expanded stakeholder engagement process. A review is conducted every two years.

Objective assessment criteria were established to determine material impacts. The degree of “severity” is determined by the average of the “scale,” “scope,” and “irremediability” of each impact. Additionally, the likelihood of occurrence of a potential impact was considered. To operationalize the evaluation logic, a scale from 0 to 5 was used to rate scale, scope and irremediability, and a range from 0 to 1 (in increments of 0.2) was used to assess the probability of the impact’s materiality. A range from 0 to 5 was used for scale, and a range from 0 to 1 for probability concerning the financial materiality perspective, in accordance with Kontron’s risk assessment.

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The following evaluation logic was discussed and applied to assess the significance of the identified IROs:

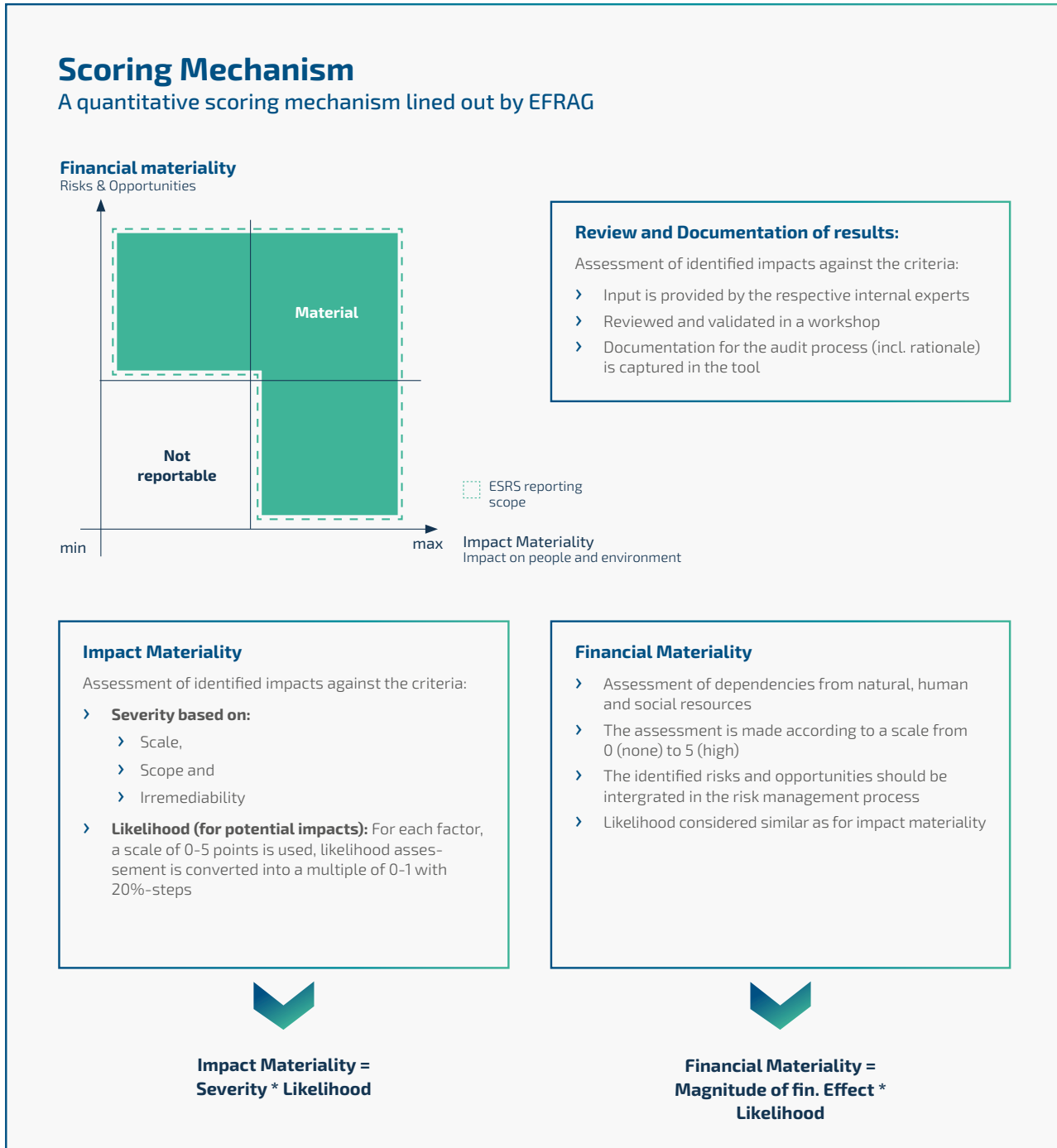


Figure: Scoring mechanism

1.11.1. E1-IRO-1 – Description of the processes for identifying and assessing material impacts, risks and opportunities associated with climate change

Kontron identified the impacts on climate change, especially greenhouse gas emissions, through a double materiality assessment. The evaluation was based on materiality criteria such as scale, scope, and irremediability, as well as stakeholder surveys. Financial and sustainability-related risks and opportunities were analyzed for prioritization. Additionally, insights from both the physical and transitional climate risk analyses were used to comprehensively assess climate risks and adaptation actions. The results are integrated into risk management and strategic planning to support CO₂ reduction actions and sustainable technologies. Emissions from land-use change, black carbon, or tropospheric ozone are not considered relevant to Kontron's business activities.

To identify and evaluate climate-related physical risks, a software-based climate risk analysis was conducted for the first time in the reporting year for all of Kontron's own sites and recognized consignment warehouses at customer locations. The software solution used analyzed the addresses and geographical coordinates of these locations across 18 different and relevant risk categories over a time horizon of 35 years, assessing gross risks along with their potential financial scale and probability of occurrence. The 13 acute and 15 chronic climate hazards classified in Delegated Regulation (EU) 2021/2139 are considered adequately covered, as the 18 categories analyzed by the company are deemed sufficient to provide comprehensive insight into all relevant and potentially associated physical risks. A standardized holding and operational period of 35 years was assumed for all sites—except certain consignment warehouses—to account for rising climate risks over the long term, thereby allowing a conservative risk assessment. No separate consideration was given to short- and medium-term periods or planning horizons with regard to physical risks.

The software-based analysis assessed both the locations as assets and their operational viability. This includes Kontron's own activities and, partially, the downstream value chain through consignment warehouses at customer sites. The upstream value chain was not analyzed with regard to physical climate risks, as no reliable information on the origin of raw materials, product components, or their transport routes is currently available. This information, along with the relevant climate risk analysis, is intended to be obtained or carried out in the future.

The software assessed risks based on four climate scenarios using the representative concentration pathways RCP2.6, RCP4.5, RCP6.0, and RCP8.5 defined by the Intergovernmental Panel on Climate Change (IPCC). The two intermediate scenarios (RCP4.5 and RCP6.0) were each weighted twice, as a globally stringent limitation of greenhouse gases currently appears unlikely, and material global warming is therefore anticipated. Since reliable climate data was not available for all scenario-location combinations, these specific instances were excluded from the analysis. Instead of analysing short- and medium-term horizons, assessments were conducted for one year and 35 years. The findings were incorporated into the Group's risk management.

In general, a material long-term risk from physical climate hazards exists, particularly when considered cumulatively across all relevant risk classifications, potentially leading to damage to assets as well as temporary operational disruptions. Based on the results of the software-based site analysis, potential high-risk sites were identified by applying threshold values for each risk category. These are sites whose carrying amount was deemed material according to group risk management thresholds, and for which the tool indicated high individual risk based on the weighted average of climate scenarios. In these specific cases, sites were thoroughly assessed in consultation with local representatives of Kontron AG regarding the accuracy of the identified risks and existing mitigation actions. It was determined that two sites each are exposed to high gross risks related to river flooding and severe snowfall. However, in all cases, appropriate precautions have already been taken to effectively mitigate potential damages and operational disruptions in the foreseeable future.

Climate-related transition risks and opportunities were identified and qualitatively assessed internally during workshops with selected experts from the relevant specialist areas. In total, 18 risks and nine opportunities were analyzed across the four areas: "Policy & Law", "Technology", "Market", and "Reputation". Three different time horizons were considered for each risk and opportunity assessment: short-term (up to one year), medium-term (one to five years), and long-term (beyond five years). Additionally, a localization analysis was conducted to determine whether these influenced Kontron's own activities and/or the upstream and/or downstream value chain. The assessment focused on the overall impact of risks and opportunities on Kontron's business activities; individual assets were not assessed.

The qualitative assessment of individual risks and opportunities was conducted consistently under the general assumption of a 1.5-degree scenario in accordance with the Paris Agreement. This assumes a strict regulatory environment—particularly within the European Union—likely resulting in material market-driven, technological, and reputational changes towards a low-emission economy. This does not refer to a specific official scenario such as SSP1-1.9 from the Shared Socioeconomic Pathways (SSP) developed by the IPCC, but rather to a broader assumption aligned with the goal of limiting global warming to 1.5°C. No explicitly named SSP scenario was used.

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as the basis for the concrete scenario analysis; instead, it served as a conceptual framework for the risk assessment. From Kontron AG's perspective, this scenario represents the strongest potential manifestation of transition risks and opportunities and was therefore considered sufficient for the analysis. Since this assessment was purely qualitative, based on the judgement of internal specialists, no scientific studies were used.

As part of the evaluation of potential financial magnitude and probability of occurrence, Kontron AG identified several transition events that could become material for the company's business activities over a long-term time frame (beyond five years). These include the risks of replacing existing products and services with lower-emission options, and potentially unsuccessful investments in new technologies (see IROs for E1 – Climate Change Adaptation: Innovative Products). In both cases, material and strategic investment decisions may entail substantial risks due to retrospective misselection of new technologies and solutions. Moreover, these transition events also present substantial opportunities, including the development of new products, entry into new markets, and increased demand for products and services, all of which support the shift towards a low-emission economy.

Based on the Kontron Group's current greenhouse gas inventory, continued efforts are necessary across the Group to reduce greenhouse gas emissions in pursuit of a net-zero economy. This applies to all business activities and thus encompasses all Group locations. Additionally, the company is working towards achieving taxonomy alignment for selected economic activities. To date, no economic activity has been categorically identified as incompatible with EU taxonomy criteria. However, extensive procedural, product-specific, and documentation actions remain necessary in this regard.

The scenarios used to assess climate-related physical risks, transition risks, and opportunities do not conflict with one another nor with other climate-related assumptions presented in this report. This ensures consistent compatibility of scenario-based disclosures.

1.11.2. E2-IRO-1 – Description of the Process for Identifying and Assessing Material Impacts, Risks, and opportunities Related to Pollution

The assessment of material impacts, risks, and opportunities related to pollution was conducted as part of the materiality analysis. The topic of pollution was discussed with Kontron's subject-matter experts in internal working sessions, during which the actual, potential, positive and negative impacts, as well as financial risks and opportunities, were identified and documented across Kontron's operations and its value chain. The potential risks are primarily located in the upstream supply chain and in the end-of-life disposal of products, although their overall reach is considered limited.

An additional instrument for monitoring and control is the Supplier Code of Conduct, which Kontron's suppliers are contractually obligated to adhere to. This Code sets out clear environmental requirements, including:

- › Responsible sourcing of raw materials and compliance with conflict minerals regulations
- › Use of safe and sustainable materials in line with international environmental standards
- › Prevention of counterfeit components and assurance of original parts
- › Sustainable resource management and waste reduction
- › Energy efficiency and the use of renewable energy sources
- › Water and soil protection actions, as well as noise reduction initiatives

Suppliers are required to meet these criteria and are regularly audited for compliance.

Kontron also regularly verifies that all materials used meet the stringent REACH and RoHS regulatory requirements. In addition, environmental and energy audits are conducted on a recurring basis at several Kontron sites to identify emission sources and potential environmental impacts.

Kontron maintains an ongoing dialogue with key stakeholders—including customers, suppliers, regulatory authorities, and environmental organizations—to better understand impacts, risks, and opportunities, and to continuously improve its sustainability strategy. While comprehensive consultations with affected communities regarding pollution have not yet taken place, Kontron ensures that pollution-related considerations are addressed across the value chain through its SCoC and its internal environmental and social standards.

1.11.3. E3-IRO-1 – Description of processes for identifying and evaluating material impacts, risks and opportunities associated with water and marine resources

The assessment of material impacts, risks, and opportunities related to water and marine resources was conducted as part of the materiality analysis.

Review of assets and operations: Kontron analyzed its assets and operations to determine its actual and potential impacts, risks, and opportunities related to water and marine resources, both within its own operations and across the upstream and downstream value chain. A software-based physical climate risk analysis was conducted to assess water stress risks at Kontron's global locations. Locations identified as high risk for water stress were analyzed in detail to determine specific dependencies and impacts. As the affected locations consisted of office premises without production facilities, the risk was considered not material.

Regarding the upstream supply chain, internal expert interviews revealed that high water consumption—particularly in PCB and chip production—can have material impacts on water reserves in production regions. At the same time, the dependence of manufacturing processes on available water could lead to disruptions in case of water shortages. No site-specific assessment (unlike for Kontron's own operations) was conducted for the upstream and downstream value chain. The assessment of these risks was carried out within the framework of the double materiality analysis, which identified low probability and only short-term impacts. Therefore, the risk was classified as not material.

Consultations with affected communities: The company did not conduct specific consultations with affected communities, as the potential risks lie within the supply chain and the impacts were assessed as low. Nevertheless, Kontron promotes responsible water and marine resource management by suppliers within the value chain to support sustainable production conditions in the long term.

1.11.4. E4-IRO-1 – Description of processes for identifying and evaluating material impacts, risks, dependencies and opportunities associated with biodiversity and ecosystems

The assessment of material impacts, risks, and opportunities related to biodiversity and ecosystems was carried out as part of the materiality analysis at Kontron's own sites and within the upstream and downstream value chain. In order to identify and evaluate the actual and potential impacts of the company's own sites, a biodiversity analysis was conducted at selected locations of Kontron AG's subsidiaries that are situated near areas of high biodiversity (more detailed information can be found in chapter "2.4. ESRs E4 Biodiversity and Ecosystems").

The purpose of this analysis was to identify actual and potential interactions between Kontron's locations and protected areas or other biodiversity-sensitive zones located in close proximity. The analysis revealed that there are no negative impacts at any Kontron Group site, and therefore no mitigation actions are currently necessary. The assessment along the value chain showed that, in the upstream value chain, the extraction of minerals and raw materials can have material potential impacts on biodiversity and ecosystems at mining sites. Ecological criteria such as disturbance of natural habitats, alteration of ecosystem services, and reduction in species diversity were taken into account. Kontron did not identify any dependencies or physical and transitional risks and opportunities related to biodiversity and ecosystems from its operations or within its upstream and downstream value chain.

Systemic risks were not separately assessed, as the relevant impacts occur far upstream in the value chain and no direct interaction exists. For this reason, no direct consultation with potentially affected communities was conducted. However, Kontron's SCoC requires suppliers to act responsibly in relation to this topic. To reduce the demand for virgin raw materials, the maximum use of recycled materials is pursued. Kontron therefore consistently aims to manage natural resources responsibly – for example, by avoiding waste and using efficient recycling solutions. Based on the comprehensive waste classification systems of the Waste Catalogue Ordinance and the Commercial Waste Ordinance, Kontron monitors its certified waste disposal companies and requires documentation of sorting and recycling rates as well as the final destination of its waste. The analyses and explanations for these three data points can be found in chapter "1.10.2 E4-SBM-3".

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1.11.5. E5-IRO-1 – Description of processes for identifying and evaluating material impacts, risks and opportunities associated with resource use and circular economy

The assessment of material impacts, risks, and opportunities in the area of resource use and circular economy was conducted as part of the materiality analysis. It included the identification of interfaces with nature, the analysis of dependencies and environmental impacts, as well as the evaluation of material risks and opportunities. In the course of the assessment, no physical assets were analyzed; however, business activities within Kontron's own operations and its upstream and downstream value chain were examined.

The topic was discussed in internal working sessions with the responsible experts from the subsidiaries, who are in charge of quality management or environmental, health, and safety matters, including waste, in the context of the Kontron Group's operations. The business areas and resources discussed are listed in the overviews below. For data collection, materials purchased by all Kontron entities were evaluated using external databases, and average recycling rates were calculated based on the assumption that no materials outside of typical industry use were involved.

Consultations with affected communities: The company did not conduct specific consultations with affected communities regarding resource use and the circular economy, as there are no direct contact points. Nevertheless, Kontron promotes responsible resource management and supports circular economy practices through its CoC and on-site actions within its operations, in order to foster sustainable production conditions in the long term.

The following list provides an overview of the business areas associated with material impacts, risks, and opportunities in the field of resource use and the circular economy, in connection with the company's products and services and the waste it generates:

DIVISION	PRODUCTS/SERVICES	WASTES
IoT and industrial IoT solutions	Hardware and software solutions for Industry 4.0	Electronic waste, packaging material
Smart energy solutions	Smart grid technologies	Electronic waste, old components
Rail technologies and communication solutions	GSM-R, FRMCS, network solutions	Electronic waste, old devices
Medical technology	IoT-enabled diagnostics and monitoring systems	Electronic waste, packaging
Aerospace technologies	In-flight entertainment and communication systems	Electronic waste, batteries
Embedded computing solutions	Industrial computer systems	Electronic waste, semiconductor scraps
Transport solutions (automotive)	Telematics and connectivity solutions	Electronic waste, packaging material
Software solutions and KontronOS	Operating systems and software for IoT systems	Minimal waste from packaging

Kontron focuses on durable, repairable products and sustainable materials to conserve resources and promote the circular economy. In particular, the areas of IoT, smart energy, rail technologies, medical technology, aviation, and embedded computing generate electronic waste, outdated components, and packaging materials, with an emphasis placed on their reduction and recycling.

Key resources such as metals, plastics, and semiconductors are treated as high priorities, while the use of renewable and recyclable materials is being continuously expanded. These actions reduce dependency on primary raw materials, lower environmental impacts, and enhance the circularity of Kontron's products.

The following list presents the prioritization of the key resources used by the company:

RESOURCE	PRIORITY	JUSTIFICATION
Metals (e.g. copper)	High	Main component of electronic parts across all business areas
Plastics	High	Essential for housings and packaging
Semiconductors	High	Essential for electronic hardware and embedded computing solutions
Batteries	Medium	Important resource in smart energy and aeronautical technologies
Packaging materials	Medium	Frequently used; can be replaced by sustainable alternatives
Renewable materials	Medium	Already in use in certain business areas (e.g. smart grids) and expandable

Kontron aims to replace plastics in packaging wherever possible with more sustainable packaging materials such as cardboard. Furthermore, wherever feasible, the use of conventional batteries is avoided, and lithium-ion rechargeable batteries are integrated into our products instead.

Material impacts and risks of remaining in a “business-as-usual” scenario:

- › Resource scarcity: Rising costs and limited availability of metals and semiconductors may endanger production.
- › Environmental impact: High volumes of waste and a lack of recycling strategies intensify environmental problems.
- › Reputational risk: Unsustainable practices could harm stakeholder trust.
- › Regulatory risks: Stricter legal requirements for resource use and waste disposal could result in financial burdens.

Material opportunities associated with the circular economy:

- › Cost reduction: Recycling and reusing materials can lower procurement costs.
- › Innovation potential: Developing durable, modular, and recyclable products strengthens competitiveness.
- › Regulatory advantages: Sustainable business practices support compliance with legal requirements.
- › Reputational gains: Sustainable practices increase trust among customers, investors, and partners.
- › Market opportunities: Demand for resource-efficient and circular products is growing across all industries.

Material impacts and risks of transitioning to a circular economy:

- › Investment costs: Increased spending on research, development, and the shift to circular production processes.
- › Supply chain adjustments: Need to identify more sustainable suppliers and realign existing relationships.
- › Technological change: New technologies and materials may lead to short-term production uncertainties.
- › Complexity: Introducing take-back systems and recycling processes increases organizational effort.

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The following stages of the value chain, which are particularly affected by resource use, risks, and negative impacts, were discussed during the materiality assessment workshops:

VALUE CHAIN STAGE	RESOURCE USE, RISKS, AND IMPACTS
Raw material extraction	High resource consumption (metals, semiconductors), environmental degradation (see E4 Biodiversity), human rights risks (see S2).
Manufacturing	Energy-intensive production, electronic waste, use of unsustainable materials.
Distribution and packaging	Use of plastic and other packaging materials, transport emissions.
Product usage	Energy consumption during use, maintenance requirements, and potential e-waste generation.
End-of-life (disposal and recycling)	Lack of recycling: Insufficient recycling practices lead to electronic waste and the loss of valuable materials.

1.11.6. G1-IRO-1 – Description of the procedure for identifying and assessing material impacts, risks, and opportunities

Kontron AG is an internationally operating technology company headquartered in Linz, Austria, with global subsidiaries. The company specializes in the development and production of IoT and embedded computing solutions for applications across various industries. Key sectors include IoT automation, rail technology, aerospace & defense, communications, ODM, software, solar & energy management, and wall chargers. Kontron is listed on the Frankfurt Stock Exchange and is included in both the SDAX and TecDAX indices.

As part of the materiality assessment, the identification and evaluation of material IROs related to the topic G1 – Governance were carried out by Kontron AG's internal expert departments. These were externally reviewed. Based on the identified IROs, the impact and financial materiality were assessed and validated by the respective Kontron subject matter experts.

1.12. IRO-2 – Disclosure requirements in ESRS covered by the undertaking's non-financial report

A data point or piece of information is considered material if it meets one or more of the following criteria:

The information is material if it is essential to appropriately represent or explain the topic. Relevance for users' decision-making: The information contributes to meeting the needs of key user groups – particularly the primary users of financial reporting (e.g. investors) and users focused on the undertaking's impacts on the environment, society, and governance.

Accordingly, Kontron assessed whether the information or data points to be disclosed either materially influence the topic itself or are of particular importance to external stakeholders, especially in the context of their economic or societal decision-making processes. The application of these criteria formed part of the assessment of information materiality, which is integrated into the overall materiality analysis.

The following overview shows a list of the disclosure requirements:

DISCLOSURE REQUIREMENT	CHAPTER	PARAGRAPH
ESRS 2 – General information	1	
BP-1 – General basis for preparation of the non-financial report		1.1
BP-2 – Disclosures in relation to specific circumstances		1.2
GOV-1 – The role of administrative, management, and supervisory bodies		1.3
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		1.4
GOV-3 – Integration of sustainability-related performance in incentive schemes		1.5
GOV-4 – Statement on due diligence		1.6
GOV-5 – Risk management and internal controls over sustainability reporting		1.7
SBM-1 – Strategy, business model, and value chain		1.8
SBM-2 – Interests and views of stakeholders		1.9
SBM-3 – Material impacts, risks, and opportunities, and their interaction with strategy and business model		1.10
E1-SBM-3 – Material impacts, risks, and opportunities, and their interaction with strategy and business model		1.10.1
E4-SBM-3 – Material impacts, risks, and opportunities, and their interaction with strategy and business		1.10.2
S1-SBM-3 – Material impacts, risks, and opportunities, and their interaction with strategy and business		1.10.3
S2-SBM-3 – Material impacts, risks, and opportunities, and their interaction with strategy and business		1.10.4
IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities		1.11
E1-IRO-1 – Description of the procedure for identifying and assessing material impacts, risks and opportunities associated with climate change		1.11.1
E2-IRO-1 – Description of the process for identifying and assessing material impacts, risks, and opportunities related to pollution		1.11.2

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DISCLOSURE REQUIREMENT	CHAPTER	PARAGRAPH
E3-IRO-1 – Description of processes for identifying and evaluating material impacts, risks and opportunities associated with water and marine resources		1.11.3
E4-IRO-1 – Description of processes for identifying and evaluating material impacts, risks, dependencies and opportunities associated with biodiversity and ecosystems		1.11.4
E5-IRO-1 – Description of processes for identifying and evaluating material impacts, risks and opportunities associated with resource use and circular economy		1.11.5
G1-IRO-1 – Description of the procedure for identifying and assessing material impacts, risks, and opportunities		1.11.6
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's non-financial report		1.12
ESRS E1 – Climate Change	2	2.2
E1-1 – Transition plan for climate change mitigation		2.2.1
E1-2 – Policies related to climate change mitigation and adaptation		2.2.2
E1-3 – Actions and resources in relation to climate change policies		2.2.3
E1-4 – Targets related to climate change mitigation and adaptation		2.2.4
E1-5 – Energy consumption and energy mix		2.2.5
E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions		2.2.6
E1-9 – Expected financial impact of material physical and transitional risks as well as potential climate-related opportunities	Not reported in the first year	
ESRS E3 – Water and Marine Resources		2.3
E3-1 – Policies related to water and marine resources		2.3.1
E3-2 – Actions and resources related to water and marine resources		2.3.2
E3-3 – Targets related to water and marine resources		2.3.3
ESRS E4 – Biodiversity and Ecosystems		2.4
E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model		2.4.1
E4-2 – Policies related to biodiversity and ecosystems		2.4.2
E4-3 – Actions and resources related to biodiversity and ecosystems		2.4.3
E4-4 – Targets related to biodiversity and ecosystems		2.4.4
E4-5 – Impact metrics of impacts on biodiversity and ecosystems change		2.4.5
ESRS E5 – Resource Use and Circular Economy		2.5
E5-1 – Policies related to resource use and circular economy		2.5.1
E5-2 – Actions and resources related to resource use and circular economy		2.5.2
E5-3 – Targets related to resource use and circular economy		2.5.3

DISCLOSURE REQUIREMENT	CHAPTER	PARAGRAPH
E5-4 – Resource inflows		2.5.4
E5-5 – Resource outflows		2.5.5
ESRS S1 – Own workforce	3	3.2
S1-1 – Policies related to own workforce		3.2.1
S1-2 – Processes for involving own workforce and workers' representatives in terms of impact		3.2.2
S1-3 – Processes to improve negative impacts and channels through which own workforce can raise concerns		3.2.3
S1-4 – Actions to address material impacts on own workforce		3.2.4
S1-5 – Targets for managing material negative impacts, opportunities, and risks		3.2.5
ESRS S2 – Supply Chain Workers		3.3
S2-1 – Policies related to value chain workers		3.3.1
S2-2 – Processes for engaging with value chain workers about impacts		3.3.2
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns		3.3.3
S2-5 – Targets for managing material negative impacts, opportunities and risks in the value chain		3.3.5
ESRS G1 – Business conduct	4	4
G1-1 – Business conduct policies and corporate culture		4.1.1
G1-3 – Preventing and Detecting Corruption and Bribery		4.1.2
G1-4 – Incidents of Corruption or Bribery		4.1.3

2. Environment

2.1. EU Taxonomy

As part of the EU action plan to finance sustainable growth ("EU Action Plan on Sustainable Finance"), redirecting capital flows into sustainable investments is a key objective. With this in mind, Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 about establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088 (referred to below as the Taxonomy Regulation) came into force in mid-2020, which, as a uniform and legally binding classification system, defines which economic activities in the EU are considered "environmentally sustainable". Company-specific reports on the results of this classification are to be presented annually.

Article 9 of the Taxonomy Regulation lists the following six environmental objectives:

- › Climate change mitigation
- › Climate change adaptation
- › Sustainable use and protection of water and marine resources
- › Transition to a circular economy
- › Pollution prevention and control
- › Protection and restoration of biodiversity and ecosystems

The EU Commission has adopted delegated legal acts to supplement the requirements for sustainable economic activities under the Taxonomy Regulation. The Delegated Regulation (EU) 2021/2139 of June 4, 2021 (Delegated Regulation TB) determines the technical screening criteria for the two environmental targets "climate change mitigation" and "climate change adaptation", which are used to determine under which conditions it can be assumed that an economic activity makes a material contribution to climate change mitigation or climate change adaptation, and on the basis of which it is determined whether this economic activity avoids material adverse impacts on one of the other environmental objectives („Do no material harm" – DNSH criteria). The Delegated Regulation (EU) 2021/2178 on content and presentation of July 6, 2021 (Delegated Regulation I&D), on the other hand, determines the content and presentation of information to be disclosed in relation to environmentally sustainable economic activities and the method used to ensure compliance with the disclosure obligation.

In 2023, the EU taxonomy was expanded with regard to the remaining four environmental objectives – in addition, Delegated Regulation (EU) 2023/2486 of June 27, 2023 established the technical screening criteria for the environmental objectives "Protection of Water and Marine Resources", "Transition to a Circular Economy", "Pollution prevention and control" and "Protection and restoration of Biodiversity and Ecosystems". In addition, an extension of economic activities and the technical screening criteria of Delegated Regulation (EU) 2021/2139 was published on June 27, 2023 in Delegated Regulation (EU) 2023/2485.

Regarding the classification of an economic activity as "environmentally sustainable" as defined by the Taxonomy Regulation, a distinction must be made between taxonomy eligibility and taxonomy alignment. Only economic activities described in the delegated acts relating to the technical screening criteria are considered taxonomy-eligible. Any of Kontron AG's economic activities that are included in the EU catalogue are considered taxonomy-eligible. If an economic activity is classified as taxonomy-eligible in the first step, the next step is to check whether the economic activity makes a material contribution to an environmental objective, does not materially harm any other environmental objective and is carried out in compliance with minimum safeguards in accordance with the OECD guidelines for multinational enterprises, the UN Guiding Principles on Business and Human Rights, the ILO Core Labour Standards and the International Charter of Human Rights.

Providing these criteria are met in full, the economic activity can be classified as taxonomy-aligned.

Under Art 8 (1) of the Regulation in conjunction with Section 243b or Section 267a of the Austrian Civil Code, Kontron AG is obliged to apply the regulations of the Taxonomy Regulation. In accordance with Section 245a (1) of the Austrian Civil Code, the consolidated financial statements of Kontron AG were prepared in accordance with IFRS as of the closing date. The amounts used to calculate the Turnover, CapEx and OpEx key figures are based on the figures reported in the consolidated financial statements. In principle, all fully consolidated group companies are included in this calculation. Please note that these figures relate to the Kontron Group's continuing operations and, as a consequence, the discontinued operations (DCO – "Discontinued Operations") in financial year 2023 and financial year 2024 are not part of the taxonomy figures. As part of the Katek acquisition, Katek SE and its subsidiaries were included as fully consolidated

companies in Kontron AG's consolidated financial statements as of March 1, 2024. The acquisition of the Katek Group therefore also affected the taxonomy-relevant economic activities of the Kontron Group in the reporting year 2024.

In reporting year 2021, mandatory reporting was limited to the taxonomy-eligible share of revenue, capital expenditure (CapEx) and operating expenditure (OpEx) in accordance with the two environmental objectives of "climate change mitigation" and "climate change adaptation". Based on this, Kontron AG was required to provide additional taxonomy alignment information for reporting year 2022. In reporting year 2023, mandatory reporting of the remaining four environmental objectives (water protection, circular economy, environmental pollution, and biodiversity) was limited to the taxonomy-eligible share of Turnover, CapEx, and OpEx. Taxonomy alignment for these four environmental objectives had to be assessed and reported for the first time in reporting year 2024. This report marks the first joint disclosure of taxonomy alignment for all environmental objectives.

Various steps have been taken to achieve a uniform understanding among the Group companies regarding the allocation of the Kontron Group's activities to the respective economic activities and, in particular, with regard to the specific technical criteria for evaluating taxonomy alignment. A general taxonomy guide explained the objectives and legal basis of the EU taxonomy as well as the process for determining conclusive taxonomy alignment. A further detailed taxonomy manual translated the general explanations into a "Kontron-specific" description with more practical relevance, including specific information on the technical screening criteria, which were obtained during numerous coordination meetings with external taxonomy experts. As part of the implementation of a Group-wide ESG reporting tool, a taxonomy module for reporting at the company level was also introduced. Over the past reporting years, this module has been continuously adapted to meet the specified reporting requirements. Using this reporting tool, the respective figures on turnover, capital expenditure and operating expenditure were obtained. These values were assigned to the corresponding economic activities, and the material contribution of these activities was assessed in relation to environmental objectives and the DNSH criteria and minimum safeguards. The cross-departmental team at headquarters level is in continuous intensive contact with the various managers within the individual Group companies, as well as with external taxonomy experts.

Due to the acquisition of the now fully consolidated Katek Group, the taxonomy-relevant economic activities of the Kontron Group were reassessed for their relevance in reporting year 2024. The core activities of the Katek Group primarily cover electronics manufacturing, manufacturing services, solar energy, and e-mobility. As a result, in reporting year 2024, the taxonomy-relevant economic activities of the Kontron Group were expanded to include: CCM 3.1 "Manufacture of renewable energy technologies" and CCM 3.20 "Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution, which make or enable a material contribution to climate change mitigation". These activities were sourced from Annex I of Delegated Regulation (EU) 2021/2139. Additionally, the following economic activities were identified as relevant and included: CCM 6.4 "Operation of personal mobility devices, cycle logistics" and CCM 9.1 "Close to market research, development and innovation".

After identifying all economic activities relevant for the reporting year, they were assessed for alignment with the corresponding technical evaluation criteria under the environmental objectives: Climate change mitigation, Climate change adaption, Circular economy (for the first time). This assessment also incorporated preparatory work from previous years, with a particular focus on economic activities that account for a relatively large proportion of the taxonomy eligibility indicators. As part of ongoing projects, efforts were also made to ensure compliance with minimum safeguards and DNSH criteria. For example: The due diligence process was further developed and a scenario-based climate risk analysis was conducted for all locations. During this process, existing gaps were identified in specific economic activities. Work is ongoing to close these gaps, which is why taxonomy alignment cannot yet be confirmed across the Group.

Based on a complete analysis of the company's activities, the share of taxonomy-eligible and taxonomy-aligned Turnover/CapEx/OpEx is presented in the respective Group totals for financial year 2024.

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KEY PERFORMANCE INDICATORS IN ACCORDANCE WITH THE EU TAXONOMY FOR FINANCIAL YEAR 2024

IN %	TAXONOMY-ALIGNED	TAXONOMY-ELIGIBLE	NOT TAXONOMY-ELIGIBLE
Turnover	0.0%	75.6%	24.4%
CapEx	0.0%	24.6%	75.4%
OpEx	0.0%	79.5%	20.5%

The tables detailing taxonomy-related key figures, including the allocation of Turnover, CapEx, and OpEx to the respective economic activities, are presented at the end of this section of the non-financial report. Because activities in the areas of nuclear energy and fossil gas do not apply to the Kontron Group's business activities, only Template 1 is declared in accordance with Delegated Regulation 2022/1214.

Turnover Indicator

The Turnover indicator results from the ratio of revenues from taxonomy-eligible and taxonomy-aligned economic activities in a financial year to the total revenues in that financial year. The basis of turnover is net revenue derived from goods or services, including intangible goods, in accordance with IAS 1.82(a).

The total revenue of EUR 1,684.8 million for financial year 2024 (PY: EUR 1,225.9 million) forms the denominator of the Turnover indicator and can be derived from the Group's profit and loss statement (see Consolidated Financial Statements 2024, Consolidated Statement of Profit and Loss).

The revenues reported in the Consolidated Statement of Profit and Loss (see Notes to the Consolidated Financial Statements, Section B, Note (1)) of the Kontron Group are analyzed across all Group companies to determine whether they stem from taxonomy-eligible or taxonomy-aligned economic activities, in accordance with the Delegated Regulations on the technical screening criteria of all six environmental objectives.

For the Kontron Group, the following relevant economic activities were identified within the individual environmental objectives in reporting year 2024, to which revenues can be allocated:

Environmental Objective "Climate Change Mitigation" (CCM):

3.1 Manufacture of renewable energy technologies

3.20 Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution

6.14 Infrastructure for rail transport

8.1 Data processing, hosting and related activities

Environmental Objective "Circular Economy" (CE):

1.2 Manufacture of electrical and electronic equipment

4.1 Provision of IT/OT data-driven solutions

5.1 Repair, refurbishment and remanufacturing

5.2 Sale of spare parts

5.5 Product-as-a-service and other circular use- and result-oriented service models

In view of the current regulatory framework, the following economic activities of the Kontron Group have been classified as taxonomy-eligible under Delegated Regulation 2021/2139 Annex I and Delegated Regulation 2023/2486 Annex II: CCM 3.1 "Manufacture of renewable energy technologies", CCM 3.20 "Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution", CCM 6.14 "Infrastructure for rail transport", CCM 8.1 "Data processing, hosting, and related activities", CE 1.2 "Manufacture of electrical and electronic equipment".

CCM 3.1 "Manufacture of renewable energy technologies"

According to the Taxonomy Regulation, this economic activity includes the manufacture of renewable energy technologies. The term "renewable energy" is defined by the European Union as energy from renewable, non-fossil sources, including: Wind energy, Solar energy (solar thermal and photovoltaic), Geothermal energy, Ambient energy, Tidal, wave, and other marine energy, Hydropower, Energy from biomass, landfill gas, sewage gas, and biogas. In reporting year 2024, revenue was attributed to this activity by the Katek Group, which offers clean energy solutions under the "Steca" brand, including hybrid inverters for solar energy, along with the associated cloud software.

CCM 3.20 "Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution"

According to the Taxonomy Regulation, this economic activity includes systems for developing low-CO₂ transport. It covers manufacturing, installation, maintenance, and repair of charging stations for electric vehicles, consulting services related to charging infrastructure. Under the "eSystems" brand, the Katek Group develops and manufactures intelligent wallboxes, which serve as smart charging solutions for electric vehicles. These wallboxes can also be integrated into smart home systems. They enable intelligent control and monitoring of photovoltaic systems, heat pumps, e-cars, and the power grid for efficient energy distribution. In reporting year 2024, revenues from the sale of wallboxes were fully attributed to economic activity 3.20.

CCM 6.14 "Infrastructure for rail transport"

According to the definition in the Taxonomy Regulation, this economic activity includes the construction, modernization, operation and maintenance of railway and underground railway lines, bridges and tunnels, stations, terminals, service facilities, as well as safety and traffic management systems, including architectural services, engineering services, technical drawing services, building inspection, surveying and mapping services, and conducting physical, chemical and other analytical tests on all types of materials and products. In 2023, the description of this economic activity was extended to specifically address the relevant rail transport components (including train control/signalling, operations management and traffic control, telematics applications). Revenues in the "Transportation" sector were primarily attributed to this economic activity. In this respect, Kontron Transportation (KTR) implements projects in the rail infrastructure sector and carries out deliveries, commissioning and service along routes (access networks) and in communication centres (core network and software), although rolling stock (including trains, wagons) is not the focus. Kontron Transportation delivers in various configurations: Often in consortiums with infrastructure companies or signalling firms (responsible for other communication technologies along the route), or directly, when technology solutions are the primary focus.

CCM 8.1 "Data Processing, Hosting, and Related Activities"

According to the Taxonomy Regulation, this economic activity includes: Storage, processing, administration, and movement of data; control, display, exchange, transmission, and processing of data via data centres; including edge computing solutions. In reporting year 2024, primarily services related to data processing using data centres were assigned to this economic activity.

CE 1.2 "Manufacture of Electrical and Electronic Equipment"

This economic activity includes the production of electrical and electronic equipment for industry, commerce, and consumers. In the reporting year 2024, revenue from the sale of Kontron Group products developed and manufactured in-house (especially in the hardware sector) for the industrial automation and communication solutions markets from the "Europe" and "Global" business segments was primarily attributed to this economic activity. As part of the Katek acquisition, the share of revenue from this activity increased due to pure electronics manufacturing and manufacturing services (EMS – Electronic Manufacturing Services) in reporting year 2024.

Revenue was also allocated to other economic activities, including CE 4.1 "Provision of Data-Driven IT/OT Solutions", CE 5.1 "Repair, refurbishment and remanufacturing", CE 5.2 "Sale of Spare Parts", and CE 5.5 "Product-as-a-Service and other circular use- and result-oriented service models". However, these activities account for only a small proportion of Group revenue compared to the five main activities listed above.

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Through a detailed analysis of the items included in the revenues, each revenue is assigned to taxonomy-eligible and taxonomy-aligned economic activities. The numerator of the taxonomy-eligible revenue figure amounts to EUR 1,273.9 million (PY: EUR 795.6 million). This results in a taxonomy-eligible revenue figure of 75.6% for financial year 2024. The taxonomy-aligned turnover figure is 0%. As previously explained, the newly introduced economic activities within the environmental objective of "Transition to a Circular Economy" published last year cannot yet be classified as taxonomy-aligned. The following table provides an overview of the taxonomy-eligibility and alignment of revenue per environmental objective – more details are provided in the Turnover indicator table at the end of this section.

SHARE OF TURNOVER/TOTAL TURNOVER

	TAXONOMY ALIGNMENT PER OBJECTIVE	TAXONOMY ELIGIBILITY PER OBJECTIVE
CCM	0%	17.8%
CCA	0%	0%
WTR	0%	0%
CE	0%	57.8%
PPC	0%	0%
BIO	0%	0%

CapEx Indicator

The CapEx indicators (Capital Expenditures) provide, in accordance with subsection 1.1.2.2 of Annex I of the Delegated Regulation (Del. VO I&D), the share of total capital expenditure that:

- › refers either to assets or processes associated with taxonomy-eligible and taxonomy-aligned economic activity, or
- › refers to the purchase of products and services resulting from a taxonomy-eligible and taxonomy-aligned economic activity.

Capital expenditure (CapEx) is based on additions to property, plant and equipment and intangible assets during the financial year in question before depreciation and amortization and any revaluations for the relevant financial year. They also include additions to property, plant and equipment and intangible assets resulting from business combinations (application of IFRS [IAS 16, 38, 40, 41, IFRS 16]). Acquired goodwill is not included.

The company identified total capital expenditure in accordance with the EU Taxonomy Regulation (including assets from business combinations) at EUR 291.0 million for the reporting year (see Notes to the Consolidated Financial Statements Section C, Note (12) and Note (13); PY: EUR 88.3 million).

These form the denominator of the CapEx figures. In detail, total capital expenditure is as follows:

	IN EUR MILLION
IAS 16 Property, plant and equipment	112.0
IAS 38 Intangible Assets	101.3
IAS 40 Investment property	0.0
IFRS 16 Leases (> 12 months)	77.7
Total	291.0
thereof as a result of changes in the group of consolidated companies	187.2

Based on the description of the asset additions, an analysis of taxonomy eligibility and alignment was conducted, along with a comparison with Annex I (Material Contribution to Climate Change Mitigation), Annex II (Material Contribution to Climate Change Adaptation), and Annex II (Material Contribution to a Circular Economy) of the Taxonomy Regulation.

The following relevant economic activities were identified for the Kontron Group within the individual environmental objectives, to which capital expenditure can be attributed:

Environmental Objective "Climate Change Mitigation" (CCM):

3.1 Manufacture of renewable energy technologies

3.20 Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution

6.5 Transport by motorbikes, passenger cars and light commercial vehicles

6.14 Infrastructure for rail transport

7.2 Renovation of existing buildings

7.3 Installation, maintenance and repair of energy efficiency equipment

7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

7.6 Installation, maintenance and repair of renewable energy technologies

NON-FINANCIAL REPORT

8.1 Data processing, hosting and related activities

9.1 Close to market research, development and innovation

Environmental Objective "Climate Change Adaptation" (CCA):

8.2 Computer programming, consultancy and related activities

Environmental Objective "Circular Economy" (CE):

1.2 Manufacture of electrical and electronic equipment

5.2 Sale of spare parts

The total capital expenditure allocated to economic activities CCM 6.14 "Infrastructure for rail transport" and CCM 8.1 "Data Processing, Hosting and Related Activities", as well as to all listed economic activities within the "Climate Change Adaptation" and "Circular Economy" environmental objectives, relates to assets or processes associated with the respective taxonomy-eligible economic activities within the framework of generating revenue. With regard to economic activity CCA 8.2 "Computer programming, consultancy and related activities", it should be noted that, according to the EU Taxonomy, this economic activity is not classified as an "enabling" activity and is therefore not included in the calculation of the turnover ratio but only in the CapEx and OpEx indicators.

The total capital expenditure attributed to the other listed economic activities relates – except for economic activity CCM 9.1 – to the purchase of products or services from the respective taxonomy-eligible economic activities. This includes, in particular, investments in the vehicle fleet (economic activity CCM 6.5) and investments related to buildings and production facilities (economic activities CCM 7.2, CCM 7.3, CCM 7.4, and CCM 7.6).

The sum of additions reflecting a taxonomy-eligible investment concerning the listed economic activities in accordance with the Taxonomy Regulation constitutes the numerator of the taxonomy-eligible CapEx figure, amounting to EUR 71.5 million (PY: EUR 47.0 million). This results in a taxonomy-eligible CapEx figure of 24.6%, while the taxonomy-aligned CapEx figure stands at 0%. The following table provides an overview of the taxonomy-eligibility and -alignment of CapEx per environmental objective – more details are provided in the CapEx indicator table at the end of this section.

SHARE OF CAPEX/TOTAL CAPEX

	TAXONOMY ALIGNMENT PER OBJECTIVE	TAXONOMY ELIGIBILITY PER OBJECTIVE
CCM	0%	7.0%
CCA	0%	8.2%
WTR	0%	0%
CE	0%	16.4%
PPC	0%	0%
BIO	0%	0%

OpEx indicator

The OpEx indicators (Operating Expenditures) provide, in accordance with subsection 1.1.3.2 of Annex I of Delegated Regulation (Del. VO I&D), the proportion of operating expenses that

- › refers either to assets or processes associated with taxonomy-eligible and taxonomy-aligned economic activity, or
- › refers to the purchase of products and services resulting from a taxonomy-eligible and taxonomy-aligned economic activity.

The basis for operating expenses (OpEx) is the direct, non-capitalised costs for research and development, building renovation actions, short-term leasing or low-value asset leases, maintenance and repair as well as for all other direct expenses for the ongoing maintenance of tangible assets by the company or by third parties that are necessary to ensure the continued and effective functioning of these systems.

To determine the denominator, the sum of the above costs was calculated based on a detailed analysis of accounts and cost centres. Total operating expenditure, in accordance with Taxonomy Regulation Article 8, Annex I, subsection 1.1.3.1, of Delegated Regulation (Del. VO I&D), amounts to EUR 78.1 million (PY: EUR 67.2 million). These form the denominator of the OpEx indicator.

The numerator of the OpEx indicator, in accordance with subsection 1.1.3.2 of Annex I of Delegated Regulation (Del. VO I&D), corresponds to the portion of operating expenditure included in the denominator that relates to assets or processes associated with: Annex I (Material Contribution to Climate Change Mitigation) and Annex II (Material Contribution to Climate Change Adaptation) of Delegated Regulation Regulation 2021/2139 or, according to Annex I (Material Contribution to the sustainable use and protection of water and marine resources), Annex II (Material contribution to the transition to a circular economy), Annex III (Material contribution to pollution prevention and reduction), and Annex IV (Material contribution to the protection and restoration of biodiversity and ecosystems) of Delegated Regulation 2023/2486, (VO 2023/2486), are associated with taxonomy-eligible economic activities.

The following relevant economic activities were identified for the Kontron Group within the individual environmental objectives, to which operating expenditure can be attributed:

Environmental Objective "Climate Change Mitigation" (CCM):

- 3.1 Manufacture of renewable energy technologies
- 3.20 Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution
- 6.4 Operation of personal mobility devices, cycle logistics
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6 Freight transport by road
- 6.14 Infrastructure for rail transport
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 8.1 Data processing, hosting and related activities

Environmental Objective "Climate Change Adaptation" (CCA):

- 8.2 Computer programming, consultancy and related activities

Environmental Objective "Circular Economy" (CE):

- 1.2 Manufacture of electrical and electronic equipment
- 5.1 Repair, refurbishment and remanufacturing
- 5.2 Sale of spare parts

NON-FINANCIAL REPORT

A material proportion of taxonomy-eligible operating expenditure of EUR 62.0 million consists of non-capitalised expenses for research and development. In this respect, the taxonomy eligibility and alignment analysis of research and development expenditure plays a key role in determining the OpEx indicators. Where these research and development expenditures relate to an economic activity already identified as taxonomy-relevant in the turnover analysis, the associated R&D expenditures were also allocated to this economic activity. Together with taxonomy-eligible expenses in maintenance and repair, leasing, buildings and building renovation, the share of taxonomy-eligible OpEx amounts to 79.5%. The taxonomy-aligned OpEx figure is 0%. The following table provides an overview of the taxonomy-eligibility and -alignment of OpEx per environmental objective – more details are provided in the OpEx indicator table at the end of this section.

SHARE OF OPEX/TOTAL OPEX

	TAXONOMY ALIGNMENT PER OBJECTIVE	TAXONOMY ELIGIBILITY PER OBJECTIVE
CCM	0%	20.3%
CCA	0%	21.0%
WTR	0%	0%
CE	0%	58.5%
PPC	0%	0%
BIO	0%	0%

When determining the above key figures, various audit steps, including documenting data generation and ensuring consistency with other financial information, prevented any double counting of economic activities.

Template 1 – Nuclear and fossil gas related activities

ROW NUCLEAR ENERGY RELATED ACTIVITIES

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

ROW FOSSIL GAS RELATED ACTIVITIES

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

NON-FINANCIAL REPORT

FINANCIAL YEAR 2024		YEAR		SUBSTANTIAL CONTRIBUTION CRITERIA						
ECONOMIC ACTIVITIES	CODE	TURNOVER	PROPOR- TION OF TURN- OVER 2024	CLIMATE CHANGE MITIGA- TION	CLIMATE CHANGE AD- APTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVER- SITY	
		IN TEUR	IN %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%							
Of which Enabling		0	0.0%							
Of which Transitional		0	0.0%							
A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)										
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	
Manufacture of renewable energy technologies	CCM 3.1	23,830	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution	CCM 3.20	40,306	2.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
Infrastructure for rail transport	CCM 6.14	195,302	11.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
Data processing, hosting and related activities	CCM 8.1	41,023	2.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
Manufacture of electrical and electronic equipment	CE 1.2	949,959	56.4%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Provision of IT/OT data-driven solutions	CE 4.1	16,837	1.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Repair, refurbishment and remanufacturing	CE 5.1	1,523	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Sale of spare parts	CE 5.2	924	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	4,196	0.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,273,900	75.6%	17.8%	N/EL	N/EL	N/EL	57.8%	N/EL	
A. Turnover of Taxonomy eligible activities (A.1+A.2)		1,273,900	75.6%	17.8%	N/EL	N/EL	N/EL	57.8%	N/EL	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
Turnover of Taxonomy-non-eligible activities		410,921	24.4%							
Total		1,684,821	100.0%							

DNSh CRITERIA ("DOES NOT SIGNIFICANTLY HARM")

CLIMATE CHANGE MITIGATION	CLIMATE CHANGE AD- APTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVER- SITY	MINIMUM SAFE- GUARDS	PROPORTION OF TAXON- OMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) TURNOVER 2023	CATEGORY ENA- BLING ACTIVITY	CATEGORY TRANSITIONAL ACTIVITY
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	IN %	E	T
							0.0%		
							0.0%	E	
							0.0%		T
							0.0%		
							0.0%		
							13.6%		
							3.7%		
							46.6%		
							0.5%		
							0.1%		
							0.1%		
							0.4%		
							64.9%		
							64.9%		

NON-FINANCIAL REPORT

FINANCIAL YEAR 2024		YEAR		SUBSTANTIAL CONTRIBUTION CRITERIA						
ECONOMIC ACTIVITIES	CODE	CAPEX	PROPOR- TION OF CAPEX 2024	CLIMATE CHANGE MITIGA- TION	CLIMATE CHANGE AD- APTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVER- SITY	
		IN TEUR	IN %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%							
Of which Enabling		0	0.0%							
Of which Transitional		0	0.0%							
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)										
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	
Manufacture of renewable energy technologies	CCM 3.1	344	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL	
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution	CCM 3.20	3,710	1.3%	EL	EL	N/EL	N/EL	N/EL	N/EL	
Infrastructure for rail transport	CCM 6.14	8,853	3.0%	EL	EL	N/EL	N/EL	N/EL	N/EL	
Data processing, hosting and related activities	CCM 8.1	1,421	0.5%	EL	EL	N/EL	N/EL	N/EL	N/EL	
Close to market research, development and innovation	CCM 9.1	544	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL	
Sale of spare parts	CE 5.2	1	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Manufacture of electrical and electronic equipment	CE 1.2	47,675	16.4%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Computer programming, consultancy and related activities	CCA 8.2	3,430	1.2%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	4,297	1.5%	EL	EL	N/EL	N/EL	N/EL	N/EL	
Renovation of existing buildings	CCM 7.2	822	0.3%	EL	EL	N/EL	N/EL	N/EL	N/EL	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	250	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	118	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	73	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		71,537	24.6%	7.0%	8.2%	N/EL	N/EL	16.4%	N/EL	
A. CapEx of Taxonomy eligible activities (A.1+A.2)		71,537	24.6%	7.0%	8.2%	N/EL	N/EL	16.4%	N/EL	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
CapEx of Taxonomy-non-eligible activities		219,475	75.4%							
Total		291,012	100.0%							

DNSh CRITERIA ('DOES NOT SIGNIFICANTLY HARM')

CLIMATE CHANGE MITIGATION	CLIMATE CHANGE AD- APTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVER- SITY	MINIMUM SAFE- GUARDS	PROPORTION OF TAXON- OMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) CAPEX 2023	CATEGORY ENA- BLING ACTIVITY	CATEGORY TRANSITIONAL ACTIVITY
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	IN %	E	T
							0.0%		
							0.0%	E	
							0.0%		T
							0.0%		
							0.0%		
							12.7%		
							0.8%		
							0.0%		
							0.0%		
							29.9%		
							4.5%		
							4.4%		
							0.9%		
							0.1%		
							0.0%		
							0.0%		
							53.3%		
							53.3%		

NON-FINANCIAL REPORT

FINANCIAL YEAR 2024		YEAR		SUBSTANTIAL CONTRIBUTION CRITERIA					
ECONOMIC ACTIVITIES	CODE	OPEX	PROPORTION OF OPEX 2024	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY
		IN TEUR	IN %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%						
Of which Enabling		0	0.0%						
Of which Transitional		0	0.0%						
A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Manufacture of renewable energy technologies	CCM 3.1	2,605	3.3%	EL	EL	N/EL	N/EL	N/EL	N/EL
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution	CCM 3.20	4,067	5.2%	EL	EL	N/EL	N/EL	N/EL	N/EL
Infrastructure for rail transport	CCM 6.14	8,139	10.4%	EL	EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	CCM 8.1	423	0.5%	EL	EL	N/EL	N/EL	N/EL	N/EL
Repair, refurbishment and remanufacturing	CE 5.1	388	0.5%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Sale of spare parts	CE 5.2	16	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Manufacture of electrical and electronic equipment	CE 1.2	45,257	58.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Computer programming, consultancy and related activities	CCA 8.2	477	0.6%	N/EL	EL	N/EL	N/EL	N/EL	N/EL
Operation of personal mobility devices, cycle logistics	CCM 6.4	102	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	460	0.6%	EL	EL	N/EL	N/EL	N/EL	N/EL
Freight transport services by road	CCM 6.6	72	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	7	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		62,014	79.5%	20.3%	21.0%	N/EL	N/EL	58.5%	N/EL
A. OpEx of Taxonomy eligible activities (A.1+A.2)		62,014	79.5%	20.3%	21.0%	N/EL	N/EL	58.5%	N/EL
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities		16,037	20.5%						
Total		78,051	100.0%						

DNSh CRITERIA ('DOES NOT SIGNIFICANTLY HARM')

CLIMATE CHANGE MITIGATION	CLIMATE CHANGE AD- APTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVER- SITY	MINIMUM SAFE- GUARDS	PROPORTION OF TAXON- OMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) OPEX 2023	CATEGORY ENA- BLING ACTIVITY	CATEGORY TRANSITIONAL ACTIVITY
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	IN %	E	T
							0.0%		
							0.0%	E	
							0.0%		T
							0.0%		
							0.0%		
							13.3%		
							0.5%		
							0.5%		
							0.1%		
							52.5%		
							5.7%		
							0.0%		
							0.8%		
							0.1%		
							0.4%		
							73.7%		
							73.7%		

2.2. ESRS E1 – Climate Change

2.2.1. E1-1 – Transition Plan for Climate Change Mitigation

At the time of reporting, specific goals, resources and a transition plan have not yet been defined. These key building blocks to enhance sustainability efforts will be developed as part of a phased plan. The first priority is further data collection and improvement of data quality. Following this, reliable data will be leveraged to define clear objectives, implement targeted actions, and allocate necessary resources. As far as is known, Kontron AG is not excluded from the Paris-agreed EU benchmarks.

2.2.2. E1-2 – Policies related to climate change mitigation and adaptation

Kontron has implemented comprehensive strategies and guidelines to manage its material impacts, risks and opportunities associated with climate change mitigation and adaptation to climate change. The basis for this includes the Kontron CoC, the Kontron SCoC, and Group Policy "Sustainability and Compliance in the Supply Chain".

The Kontron's CoC defines clear guidelines for the responsible use of natural resources and climate change mitigation. These guidelines form the strategic framework within which concrete actions are developed and implemented. A key goal is to reduce greenhouse gas emissions. This includes the optimization of business processes and operating systems to increase energy efficiency and the preferred use of renewable energy, for example, through photovoltaic systems. In addition, all Kontron companies are required to take measures to minimise their carbon and greenhouse gas emissions. This can be done through various measures, such as reducing business travel or optimising facilities and operations.

The SCoC requires suppliers to implement actions to reduce greenhouse gas emissions, promote renewable energy and ensure the sustainable use of water and soil resources. These guidelines complement and support Kontron's climate change mitigation actions and contribute to the consistent implementation of sustainability goals throughout the entire supply chain. Kontron has therefore already established actions for resource use and the circular economy, as described in the CoC and SCoC.

In accordance with Kontron's guidelines, the company is pursuing a comprehensive concept to reduce CO₂ emissions and increase energy efficiency. This concept is based on the principles of the Environmental Management System and ISO 14001. The goals include minimizing environmental impacts through energy optimization and increasing the use of renewable energy. This concept also considers adaptation to climate change, which is supported by the Group Policy "Sustainability and Compliance in the Supply Chain" and the SCoC, which promotes sustainable practices across the supply chain. The climate change mitigation plan monitoring process includes the regular measurement and reporting of CO₂ emissions, as defined in the Environmental Management Directive.

The CoC guidelines apply to all relevant activities within the company, including production sites and the entire supply chain. The scope of application covers both international and regional operations, ensuring compliance across various geographical regions. Kontron expects its suppliers worldwide to comply with established environmental standards. There are no specific exemptions for particular geographical regions or activities outside the value chain. The scope for reducing greenhouse gas emissions includes direct and indirect emissions from energy sources such as fossil fuels, in particular Scope 2 and Scope 3, which are primarily generated during production and transport. It applies to all locations, production areas and the entire supply chain and affects both upstream (suppliers, raw material procurement) and downstream processes (distribution, utilization of products). Production sites and data centres are particularly relevant due to their high energy requirements. Actions to reduce emissions are developed and implemented on a site-specific basis.

Responsibility for ESG matters and ESG concepts lies with the Executive Board, while managing directors and area managers are actively involved and supported in the implementation process. They are responsible for integrating sustainable practices into the company and implementing ESG actions.

Kontron follows internationally recognized standards, such as OECD-Guidelines for multinational companies, GRI-standards, UN Global Compact and especially the ISO 14001 certification, to monitor and reduce its environmental impact. In addition, the company ensures that its operating processes comply as far as possible with the EU taxonomy, particularly in relation to climate change mitigation and adaptation to climate change. For the supply chain, Kontron requires its suppliers to implement sustainable practices to promote climate change mitigation and minimize negative environmental impacts.

Kontron ensures that the strategy enshrined in the CoC is clearly accessible and understandable for all potentially affected stakeholders and those requiring implementation support. Employees across the Group receive targeted training on the CoC. These training sessions

are delivered via the MyEnTraS e-learning platform and are available in multiple languages, including English, German, French, Spanish, Hungarian, and Slovenian. This ensures that employees worldwide can access and understand the content, regardless of their native language. Additionally, the latest versions of the CoC are always available online, both on the corporate website and local Kontron websites. Any updates to the documents are made accordingly, and changes are communicated across the Group. The SCoC is published on Kontron's website, allowing business partners and suppliers to access it at any time.

Managing directors are actively encouraged to integrate the CoC into their respective work processes to ensure full implementation across all areas. During management meetings, managing directors and board members regularly emphasize the importance of CoC compliance and ensure that its requirements are embedded in daily business operations. Internally, the CoC is also published on the intranet via SharePoint. Employees have access to the latest version at all times, and updates are communicated transparently.

For employees without a corporate email account, such as those in production, the local HR department provides a physical copy of the CoC. Employees confirm their acknowledgement and compliance by signing the document. Additionally, the CoC is displayed in common areas to ensure accessibility for all employees at all times. For external stakeholders, both the CoC and the non-financial report are published on the website.

ADDRESSED ESSENTIAL IRO	FOR CLIMATE- RELATED CONCEPTS: ADDRESSED AREA	TITLE AND CONTENT OF THE CONCEPT	TARGETS OF THE CONCEPT	MONITORING OF THE CONCEPT	SCOPE OF APPLICATION	RESPONSIBILITY FOR THE CONCEPT
E1-Climate Change Mitigation: Contribution to Climate Change Through GHG Emissions	Reducing greenhouse gas emissions	"Reducing electricity consumption and increasing the use of renewable energy": Reducing heating and cooling demand per square metre. Reducing greenhouse gas emissions.	Reducing CO ₂ emissions through energy efficiency and greater use of renewable energy.	Regular reporting of CO ₂ emissions as part of the Environ- mental Manage- ment Directive.	Climate change	ESG managers, sup- ported by country managers and per- sonnel responsible for energy and envi- ronmental matters within the units.
E1-Energy: High Energy Demand	High energy consumption of Kontron's prod- ucts and services	"Reducing electricity consumption and increasing the use of renewable energy": Energy efficiency actions and the use of renewable energy have been established at many operational sites, but a specific concept for product energy consumption is still under development.	No specific concept target has been defined yet.	Energy consump- tion is monitored at sites; howev- er, there is no product-specific tracking yet.	Energy efficiency	Responsible parties: Energy and environ- mental manage- ment personnel.
E1-Innovative Products	Sustainable Prod- uct Development	"Reduction of green- house gas emissions": The sustainable de- velopment and design of energy-efficient products is a goal for Kontron, but a de- tailed concept has not yet been developed.	No specific concept has been defined yet.	Product-related environmental aspects are also considered through ISO 14001 standards.	Climate change	Responsible parties: Product devel- opment teams in collaboration with ESG managers.

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ADDRESSED ESSENTIAL IRO	FOR CLIMATE- RELATED CONCEPTS: ADDRESSED AREA	TITLE AND CONTENT OF THE CONCEPT	TARGETS OF THE CONCEPT	MONITORING OF THE CONCEPT	SCOPE OF APPLICATION	RESPONSIBILITY FOR THE CONCEPT
E1 - Risk from Climate Change	Risks Due to Climate Change	Kontron takes climate risks into account, particularly at sites with known local risks (e.g. flooding, extreme temperatures). A centralized concept at HQ level is still under development.	Sites with high local risks have already implemented appropriate mitigation concepts.	Cross-site climate risk assessment has been conducted at HQ level.	Adaptation to climate change	CEOs, country managers and local managers

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

In recent years, the following actions for climate protection have been formulated and are currently in the implementation phase. These actions are being revised, aligned with the ESRS (European Sustainability Reporting Standards), and translated into concrete targets. The initial data basis and analysis in accordance with ESRS will serve as the foundation to structure and prioritize these actions appropriately. They apply to all locations where the relevant aspects are applicable and feasible with regard to local conditions.

Reduction of consumption of electricity and the utilization of renewable energy

- › Installation of photovoltaic facilities at a variety of locations
- › Energy-saving IT equipment in workplaces and data centres
- › Switching to LED lighting at various locations
- › Raising employee awareness to prevent unnecessary electricity consumption
- › Expansion of e-charging stations at various locations
- › Encouraging the switch to renewable energy – raising its share to 50% by 2030

Reduction of heating and cooling requirements per square metre

- › Sensible use of office heating and air conditioning – only when needed
- › Turn off heating in empty individual offices
- › Close windows and doors when heating or air conditioning are on (ventilating in bursts)

Reduction of paper consumption

- › Focus on paperless processes within the Kontron Group
- › Implement Follow-Me Printing solutions to reduce uncollected printouts
- › Reduction through deployment of electronic, integrated HR systems (for example: on-site systems of managing working hours and absences from work), and utilization of e-invoices

Reducing greenhouse gas emissions

- › Cutting the number of business trips to the absolute minimum through the use of advanced communication technologies such as telephone-based and video conferencing
- › Conversion of the vehicle fleet to e-vehicles by 2030
- › Promote the use of public transport and company bicycles
- › Halving own Greenhouse Gas Emissions (Scope 1 and 2) from 2022 to 2030

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

At the time of writing, specific targets and the resources required to achieve them have not yet been defined. These central building blocks for strengthening sustainability efforts are to be developed as part of a multi-stage plan. Initially, the focus will be on further data collection and improving data quality. Building on this, reliable data will be used to formulate clear targets, derive targeted actions and determine the necessary resources.

2.2.5. E1-5 – Energy consumption and mix

The following tables provide an overview of energy consumption and sources, as well as self-generated energy.

ENERGY CONSUMPTION AND ENERGY MIX	2024
Fuel consumption from coal and coal products (MWh)	37
Fuel consumption from crude oil and petroleum products (MWh)	12,026
Fuel consumption from natural gas (MWh)	4,297
Fuel consumption from other fossil sources (MWh)	2
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	13,853
Total consumption of fossil energy (MWh)	30,216
Share of fossil energy sources in total energy consumption (%)	49.25%
Consumption from nuclear sources (MWh)	6,527
Share of consumption from nuclear sources in total energy consumption (%)	10.64%
Fuel consumption from renewable energy sources, including biomass (MWh)	218
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable energy sources (MWh)	23,646
Consumption of self-generated renewable energy, excluding fossil fuels (MWh)	750
Total consumption of renewable energy (MWh)	24,614
Share of renewable energy sources in total energy consumption (%)	40.12%
Total energy consumption (MWh)	61,357
SELF-GENERATED ENERGY	2024
Self-generated energy from fossil sources (MWh)	0.00
Self-generated energy from renewable sources (MWh)	750

If no current consumption data was available, internal estimates were used. In such cases, values from other time periods were primarily applied, provided that the current billing information had not yet been received. For some rented office locations, consumption figures were estimated based on comparable sites.

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ENERGY INTENSITY PER NET REVENUE

2024

Total energy consumption from activities in high climate impact sectors (MWh)	35,009
Total energy consumption from activities in climate-intensive sectors per net revenue from climate-intensive sectors (MWh/TEUR)	0.035

The calculation was based on the formula: total energy consumption from activities in high climate impact sectors (MWh) divided by net revenue from activities in high climate impact sectors (currency unit). No limitations are known.

Relevant industries with high climate impact include C.26 Manufacture of computing devices, electronic and optical products and C.27 Manufacture of electrical equipment.

Disclosure of reconciliation to corresponding items or notes in the Financial Statements of net revenue from activities in high climate impact sectors. The revenue can be found in the consolidated income statement (see Consolidated Notes, Part B, Note (1)).

TOTAL NET REVENUE (IN TEUR)

2024

Net revenue from activities in high climate impact sectors used to calculate energy intensity	1,002,979
Net revenue (others)	681,842
Total net revenue (in consolidated financial statements)	1,684,821

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

In reporting year 2024, both the reporting methodology and the scope of the company group were revised. The transition from GRI Standards to the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) coincided with the integration of newly acquired Katek companies into the Kontron Group, expanding the value chain. This required an adjustment of the ESG reporting tool, as well as the retrospective collection of Scope 3-relevant data for 2023, to establish a consistent comparison baseline for future reporting years. These changes impact the comparability of reported greenhouse gas emissions, as the new methodology incorporates more comprehensive and detailed data points, thereby improving the consistency and transparency of reporting.

The calculation of Scope 1 includes all greenhouse gas emissions that occur directly within the company, i.e. emissions from the combustion of stationary sources (such as power plants, boilers), emissions from the combustion of mobile sources (e.g. emissions from the company's own vehicle fleet), process emissions from the company's production processes and fugitive emissions (e.g. refrigerants). These are combined with the CO₂ factors from official databases in order to assess the CO₂e emissions. Scope 2 includes indirect GHG emissions that arise from the provision of energy by an energy supply company for electricity, district cooling or district heating. Depending on availability, these are combined with the CO₂e factor (market-related) reported by the supplier and with country-specific (location-related) CO₂e factors.

The emission factors for Scope 1 and Scope 2 originate from the online tool used to collect ESRS data points and calculate the CO₂ footprint. This tool relies on official databases and sources such as IPCC 2021 and Ecoinvent. The factors stored in the software tool are based on the latest available data but are not retroactively adjusted if there are methodological changes in the calculation method.

For the Scope 3 emission factors, the latest available impact assessment methodology from the Intergovernmental Panel on Climate Change (IPCC) 2021 was used. Climate impact time horizon: 100 years. Emission factors database: The selection of emission factors was based on the latest available values from external databases, as well as the Department for Environment, Food & Rural Affairs (DEFRA) database (2021).

The mapping of individual Scope 3 positions with data sets from Ecoinvent was developed within respective categories and coordinated with the Kontron team and industry experts. Data sets were selected according to the following hierarchy:

- › Emission factors for data points with weight information (in kg) or based on the unit of reference flow (e.g., kWh for "use of sold products").
- › Emission factors for data points related to financial expenditure or income (spend-based approach).

The following emission factors and calculation basis for the Scope 3 data for the upstream and downstream value chain were estimated using indirect sources, such as sector averages or other approximation methods:

- › Transport emissions (upstream and downstream): Estimates based on purchase or sales prices, as exact weight data is often unavailable.
- › Energy Consumption During the Use of Sold Products: For locations without specific data, average values and scenarios based on secondary data are used.
- › Emissions for Purchased Goods and Services: If no specific data is available, spend-based emission factors are applied, which are derived from sector average data in validated databases.
- › End-of-Life Emissions: If data is missing, standard datasets from the Ecoinvent database are used for waste treatment.

The following was used as a basis for preparation:

- › Databases: Externally validated databases serve as primary sources of secondary data. They provide country-specific and technology-related emission factors.
- › Averages: For transport distances, energy consumption during the use of products sold and sectoral averages or country-specific substitute data are used.
- › Mapping methodology: Expenditure-based factors are calculated using monetary expenditure (e.g. €/kg), extracted from external datasets.

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All data records have been converted to the unit "kg", with the weight per item stored in the documentation. For each category, multiple approaches have been developed to determine emission factors. Hierarchy of Allocation:

- › Emission factors for data points with weights in kg or, for corresponding categories, via the unit of reference flow (e.g. kWh in "Use of Sold Products")
- › Emission factors for data points on financial expenditure or income (spend-based approach)

Uncertainties in Calculating Scope 1, Scope 2, and Scope 3 Emissions

Fundamental uncertainties can arise from data gaps and general assumptions, necessitating the use of external data sources and various collection methods. A combination of primary and secondary data has been used: Primary data: CO₂e factors, consumption values, purchasing values, weights and secondary data: Extracted from life cycle assessment databases.

- › Coolant losses and emissions: For units that use coolant but did not report any leaks, an extrapolation was carried out based on the average leak rate across all Kontron business units. No other volatile gases occurred during production.
- › Scope 3 – Conversion of € into kg if activity data is missing: If exact weight data was unavailable, a conversion from € into kg was performed, or a spend-based approach using average values was applied.
- › Geographical uncertainties: If primary data was unavailable, global emission factors were used instead of country-specific values.
- › No inflation adjustments: Inflation adjustments were not applied in spend-based calculations.
- › Scope 3 categories deemed irrelevant: The categories upstream leased fixed assets, downstream leased fixed assets, franchises and investments are not applicable and were therefore not included in the calculation. A detailed documentation was prepared to ensure traceability of the exact emission factors and, if applicable, background calculations for individual Scope 3 categories.

The resulting degree of accuracy is estimated as follows:

- › Heterogeneous data sources: Uncertainties arise from: The conversion of € into kg (for materials); inconsistent data (e.g. energy consumption during use).
- › Material uncertainties: Particularly in transport emissions and energy consumption data, the impact on overall results is considered material.
- › Variability of estimates: Location-based transportation scenarios and sector-specific assumptions contribute to variability.

Category-based uncertainties in Scope 3

- › Emissions of purchased goods and services: Use of expenses-based emission factors from an external life cycle assessment database were applied.
- › Transport Emissions: Calculations are based on the purchase value of goods, using several average values and secondary data.
- › Commuter emissions: Commuting distances were estimated based on external studies.
- › Energy consumption of sold products: If no specific data was available, averages and scenarios were used.
- › Lifespan, use, and end-of-life of products: Calculations and assumptions are based on secondary sources.
- › Waste: If no specific data was available, comparisons were made with similar locations, and the data was extrapolated based on revenue and company key figures.

Some data, such as electricity, comes from invoices that do not align with Kontron's financial year. In such cases, the latest available values from the last 12 months are used, and their average is calculated. When collecting data from the companies in the Kontron Group, contracts for the supply of renewable energy are always recorded where it is possible to provide evidence of the origin of the renewable energy used. The proportion of renewable energy is listed in table "E1-5 Energy consumption and energy mix".

There is no participation in emissions trading.

The following Scope 3 categories were included in the carbon footprint:

- › Category 1: Purchased goods and services
- › Category 2: Capital goods
- › Category 3: Fuel and energy-related activities (not included in Scope 1 or 2)
- › Category 4: Upstream transportation and distribution
- › Category 5: Waste generated during the company's operations
- › Category 6: Business travel
- › Category 7: Employee commuting (commuter traffic)
- › Category 9: Downstream transportation and distribution
- › Category 11: Use of sold products
- › Category 12: End-of-life treatment of sold products

Excluded categories:

- › Category 8: Upstream leased assets: All leased fixed assets are already accounted for in Scope 1 and Scope 2.
- › Category 10: Processing of sold products: The share of emissions from end products that arises during further processing or assembly amounts to well below 1% in a full life cycle assessment and is therefore considered immaterial.
- › Category 13: Downstream leased assets: Kontron does not lease or rent out fixed assets.
- › Category 14: Franchises: Kontron has no franchisees.
- › Category 15: Investments: Investments outside the corporate structure account for less than 1% of revenue and are therefore not considered material. Consequently, they are not included in Scope 3 of the carbon footprint.

Furthermore, no primary data from suppliers was used in the calculation of the Scope 3 values.

The following tables present gross Scope 1, 2, and 3 emissions and total GHG emissions, both location-based and market-based, followed by greenhouse gas intensity per net revenue. Double counting in Scope 1 and Scope 3 was avoided, clear delimitations of emission sources were defined, consistent accounting rules were applied and recognized reporting standards such as the GHG Protocol were adhered to. Emissions are collated and disclosed as a consolidated accounting group (parent company and subsidiaries):

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GHG EMISSIONS

2024

Scope 1 GHG emissions

Gross Scope 1 GHG emissions (tCO ₂ e)	4,226
Percentage of Scope 1 GHG emissions from regulated emissions trading systems (%)	0.00%

Scope 2 GHG emissions

Gross location-based Scope 2 GHG emissions (tCO ₂ e)	12,030
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	10,063

Material Scope 3 GHG emissions

Total indirect gross GHG emissions (Scope 3) (tCO ₂ e)	7,837,053
1. Purchased goods and services (incl. cloud computing and data centre services)	1,387,858
2. Capital goods	16,928
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	6,103
4. Upstream transportation and distribution	1,886
5. Waste generated during the company's operations	961
6. Business trips	4,678
7. Employee commuting	21,644
8. Upstream leased assets	-
9. Downstream transportation	999
10. Processing of sold products	-
11. Use of sold products	6,389,558
12. End-of-life treatment of sold products	6,437
13. Downstream leased assets	-
14. Franchises	-
15. Investments	-

Total GHG emissions

Total GHG emissions (location-based) (tCO₂e)	7,852,469.67
Total GHG emissions (market-based) (tCO₂e)	7,851,342.49

The amount of calculated biogenic emissions is not included in the table and amounts to 2,568.45 tCO₂e under Scope 2. For Scopes 1 and 3, the quantity is so small that it is considered negligible and is not reported.

GHG INTENSITY PER NET REVENUE

2024

Total greenhouse gas emissions (location-based) per net revenue (tCO₂e/EUR)	4.661
Total greenhouse gas emissions (market-based) per net revenue (tCO₂e/EUR)	4.660

The revenue is disclosed in the consolidated income statement (see Consolidated Notes, Part B, Note (1)).

TOTAL NET REVENUE (IN TEUR)

2024

Net revenue used for the calculation of energy intensity	1,684,821
Other Net Revenue	0
Total net revenue (consolidated financial statements)	1,684,821

The following calculation was used: Total GHG emissions (tCO₂e) / net revenue (EUR).

2.3. ESRS E3 – Water and Marine Resources

2.3.1. E3-1 – Policies related to water and marine resources

Both the Kontron CoC and SCoC address the responsible management and protection of water and soil resources, thus covering the impact area “E3 – Water: High water consumption in the upstream value chain with negative impacts on ecosystems”. In the CoC, Kontron commits to preventing harmful soil contamination, water and air pollution, and avoidable greenhouse gas emissions. Healthy soils and clean water are recognized as essential for climate neutrality, a circular economy, biodiversity protection, and human health.

The SCoC complements these requirements and obliges suppliers to implement actions to minimize water consumption and prevent soil and water pollution. Suppliers must ensure that their activities do not lead to excessive water consumption or negatively impact access to clean water or natural resources required for food production.

Kontron has not currently adopted any comprehensive goals (see 2.3.2. E3-2 – Actions and resources and E3-3 – Targets related to water and marine resources) or specific actions for managing water and marine resources, as the main impacts are within the supply chain rather than Kontron's own business operations. However, fundamental requirements are embedded in the CoC and the SCoC, which set out clear guidelines for minimizing water consumption, preventing environmental pollution, and implementing environmental management systems.

Kontron is committed to the responsible use of water and soil resources in its policies. The Kontron CoC ensures that no harmful soil, water, or air pollution occurs and that water consumption is controlled to minimize any negative impact on human health and the environment. The SCoC obliges suppliers to implement actions to prevent water and soil contamination and to avoid excessive water consumption.

The guidelines regarding water and marine resources apply to all relevant activities within the company, including production sites and the entire supply chain. The scope of application covers both international and regional operations, ensuring compliance across various geographical regions. Kontron expects its suppliers worldwide to comply with established environmental standards in order to optimize resource usage and reduce waste. There are no specific exemptions for particular geographical regions or activities outside the value chain.

Responsibility for ESG matters lies with the Executive Board and is actively promoted and implemented by managing directors and department heads. These executives are responsible for implementing ESG objectives, ensuring the integration and advancement of sustainable practices within the company.

Kontron aligns its environmental requirements, including the protection of water and marine resources, with various international standards and initiatives. These include:

- › ISO 14001 Guidelines: Suppliers are encouraged to implement ISO 14001-certified environmental management systems to minimize risks to water resources and ensure continuous improvement;
- › REACH and RoHS Regulations: Compliance with REACH and RoHS is mandatory to prevent the release of hazardous substances into water bodies and protect environmental quality.
- › OECD Guidelines for Multinational Enterprises: These guidelines serve as a framework for ethical business practices, including reducing environmental harm and promoting responsible resource use.
- › Basel Convention: The Convention on the Control of Transboundary Movements of Hazardous Wastes aims to prevent pollution of water and marine resources caused by improper waste disposal.
- › Stockholm Convention: The Convention on Persistent Organic Pollutants is designed to prevent hazardous chemicals from entering water bodies and marine ecosystems.

Kontron requires its suppliers to implement environmental management systems, preferably ISO 14001-certified.

The interests of key stakeholders are taken into account when developing the ESG strategy, which also includes resource use and the circular economy. This is achieved through regular stakeholder dialogues and a materiality analysis, aimed at identifying stakeholder-relevant topics.

The results of the materiality analysis are directly incorporated into the ESG strategy to ensure that stakeholder expectations and requirements are integrated into Kontron's sustainability approach. By following this approach, Kontron ensures that its resource use and circular economy strategies align with both internal objectives and stakeholder expectations.

Kontron ensures that the strategy enshrined in the CoC is clearly accessible and understandable for all potentially affected stakeholders and for those who need assistance with implementation, as described in this chapter.

Kontron has not currently adopted any holistic goals (see E3-3) or specific actions for the management of water and marine resources, as the main impacts lie within the supply chain rather than in Kontron's own business operations. However, fundamental requirements are embedded in the CoC and the SCoC, which set out clear guidelines for minimizing water consumption, preventing environmental pollution, and implementing environmental management systems.

2.3.2. E3-2 – Actions and resources related to water and marine resources

At the time of reporting, specific actions and resources have not been defined. Kontron's Codes of Conduct (CoC and SCoC) set out commitments to respecting water and marine resources, but no dedicated group-wide actions have been planned under this framework. The primary environmental impacts occur upstream in the supply chain, rather than within Kontron Group's own business operations, limiting Kontron's direct influence. For this reason, quantitative data disclosure on water and marine resources would not provide meaningful insights, and has therefore been omitted.

2.3.3. E3-3 – Targets related to water and marine resources

At the time of reporting, specific targets have not been defined. Kontron's Codes of Conduct (CoC and SCoC) set out commitments to respecting water and marine resources, but no dedicated group-wide actions have been planned under this framework. The primary environmental impacts occur upstream in the supply chain, rather than within Kontron Group's own business operations, limiting Kontron's direct influence. For this reason, quantitative data disclosure on water and marine resources would not provide meaningful insights, and has therefore been omitted.

2.4. ESRS E4 – Biodiversity and Ecosystems

2.4.1. E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Biodiversity is a key environmental asset, playing a critical role in human well-being and ecological balance. Due to Kontron's business model, which is primarily focused on the development and provision of electronic solutions in the software and hardware sector, the company's activities do not have a direct impact on biodiversity and ecosystems, and vice versa. As a result, no dedicated resilience analysis has been conducted regarding biodiversity-related physical, systemic, or transitional risks and opportunities. In the upstream value chain, particularly in raw material extraction, there is a high probability that biodiversity will be negatively impacted. Kontron recognizes this challenge and is working to increase supply chain transparency and minimize potential risks by selecting responsible suppliers. Because biodiversity is a global issue that indirectly affects raw material procurement, Kontron continues to monitor developments, even though biodiversity has no immediate impact on its business strategy or resilience.

2.4.2. E4-2 – Policies related to biodiversity and ecosystems

Kontron acknowledges the main impact in its upstream supply chain, specifically "E4 – Direct Exploitation – Mining of Rare Metals and Minerals", and integrates biodiversity and ecosystem protection into both the CoC and SCoC. The CoC emphasizes biodiversity protection, sustainable land use, deforestation prevention, a commitment to minimizing negative ecosystem impacts, respecting protected areas. The SCoC reinforces these principles, requiring suppliers to implement environmental management systems (preferably ISO 14001-certified), monitor, evaluate, and improve their environmental impact continuously, take proactive actions to reduce biodiversity and ecosystem damage. These commitments aim to prevent biodiversity loss and ecosystem degradation, promote sustainable land use, mitigate habitat destruction. Planned actions include preventing environmental pollution, reducing encroachment on natural habitats, implementing environmental management systems.

At the time of publication, no additional concrete actions or resources had been defined. Further actions will be established based on the results of Kontron's first unified CSRD-compliant non-financial report. The earliest implementation of these actions is planned for 2026.

The biodiversity and ecosystem protection guidelines apply to all relevant activities within the company, including production sites and the entire supply chain. The scope of application covers both international and regional operations, ensuring compliance across various geographical regions. Kontron expects its suppliers worldwide to comply with established environmental standards in order to optimize resource usage and reduce waste. There are no specific exceptions for certain geographical regions or activities outside the value chain. The Executive Board bears overall responsibility for ESG topics, actively supported by managing directors and division heads. These executives are responsible for implementing ESG objectives and promoting sustainable practices across the company.

Kontron aligns the implementation of its environmental requirements for biodiversity and ecosystem protection with internationally recognized standards and initiatives. ISO 14001 serves as the framework for environmental management systems, ensuring continuous improvements in resource conservation, protection of natural habitats, and minimization of environmental impacts. This approach is complemented by the OECD Guidelines for Multinational Enterprises, which set clear expectations for sustainable business practices and ecosystem protection. Kontron also supports the UN Global Compact principles, which commit companies to implementing actions along the entire value chain to prevent environmental pollution, preserve biodiversity, and promote sustainable land use. These international frameworks serve as guidelines for Kontron to minimize environmental risks, secure natural resources in the long term, and enhance positive impacts on biodiversity and ecosystems.

Kontron ensures that the strategy enshrined in the CoC is clearly accessible and understandable for all potentially affected stakeholders and for those who need assistance with implementation, as described in the "2.2.2 E1-2 – Concepts related to climate change mitigation and adaptation to climate change" section.

At the time of publication, no additional actions or resources had been defined. Further actions will be established based on the results of Kontron's first unified CSRD-compliant non-financial report. The earliest implementation of these actions is planned for 2026.

Kontron integrates biodiversity into its sustainability strategy, but currently has no independent actions in place. The double materiality analysis assesses environmental risks and opportunities, including biodiversity and ecosystems. Findings from this analysis inform the prioritization of core topics for non-financial reporting.

Actions will be defined based on the first CSRD-compliant non-financial report, which will serve as the foundation for future strategies. Implementation is scheduled to begin in 2026 at the earliest. Kontron continues to analyze physical and transitional risks, as well as its dependence on natural resources.

In the SCoC and the Corporate Sustainability and Compliance Policy, Kontron commits to monitoring the origin of raw materials and ensuring compliance with environmental standards throughout the supply chain. Suppliers are required to source raw materials from sustainable sources and ensure traceability to minimize damage to biodiversity and ecosystems.

Kontron's CoC highlights the company's responsibility for protecting and restoring biodiversity, with a particular focus on forests and land. Kontron's sustainability strategy explicitly includes the protection of the environment and biodiversity. Kontron rejects deforestation and unsustainable logging and supports the preservation of natural forests, ecosystem services, and biodiversity. The company implements actions to prevent deforestation and minimize disturbances to protected areas and local flora and fauna.

The SCoC requires suppliers to ensure that their practices comply with environmental protection standards and prevent biodiversity loss and the degradation of natural habitats.

At the time of publication, no specific actions or resources have been established for the regular monitoring and reporting of biodiversity status, nor for assessing gains or losses in biological diversity. These aspects will be formulated and implemented in the first CSRD-compliant sustainability report, with implementation expected to begin no earlier than 2026.

The CoC mandates the protection of biodiversity and ecosystems, particularly in company-operated sites located in, near, or adjacent to protected areas or biodiversity-sensitive zones, whether leased, owned, or managed. While Kontron does not operate in the agricultural sector, the CoC prescribes the proper handling and disposal of chemicals and hazardous substances to prevent soil contamination.

The CoC also promotes sustainable practices and strategies for oceans and marine ecosystems. However, Kontron does not currently have comprehensive, holistic objectives on this topic. The disclosure of these points is considered non-material, as the main impacts occur in the upstream supply chain rather than in Kontron Group's own operational business activities.

Kontron pursues a deforestation mitigation strategy, which is embedded in corporate policies. A key component of this strategy is the prevention of deforestation and the promotion of natural forest conservation. Kontron is committed to sourcing only sustainably harvested raw materials to ensure that its value chain does not have negative impacts on biodiversity and ecosystems.

2.4.3. E4-3 – Actions and resources related to biodiversity and ecosystems

At the time of reporting, specific actions and resources have not been defined. Kontron's codes of conduct require respect for biodiversity, but no specific biodiversity-related actions are currently planned. The main impacts occur primarily in the upstream supply chain rather than within Kontron Group's own operational business activities, meaning they are largely beyond the company's control. For this reason, disclosing quantitative data points on biodiversity and ecosystems does not provide relevant insights into actual impacts and is therefore omitted.

2.4.4. E4-4 – Targets related to biodiversity and ecosystems

At the time of reporting, specific targets have not been defined. Kontron's codes of conduct require respect for biodiversity, but no specific biodiversity-related actions are currently planned. The main impacts occur primarily in the upstream supply chain rather than within Kontron Group's own operational business activities, meaning they are largely beyond the company's control. For this reason, disclosing quantitative data points on biodiversity and ecosystems does not provide relevant insights into actual impacts and is therefore omitted.

2.4.5. E4-5 – Impact metrics related to biodiversity and ecosystems change

The disclosure of these points is not considered relevant in Kontron Group's own operational units, as the main impacts occur in the upstream supply chain rather than in the company's direct activities.

A biodiversity assessment conducted across multiple sites aimed to identify potential interactions with nearby biodiversity-sensitive areas, including Natura 2000 sites, UNESCO World Heritage Sites, and other protected areas. The findings indicate that Kontron's sites generally do not have material negative impacts on biodiversity.

Most sites are not located near biodiversity-sensitive areas, or are sufficiently distant to rule out any meaningful interactions. In cases where sites are in proximity – such as the Lipbachsenke area in Germany or Natura 2000 areas in Austria – activities at these locations are limited to office operations or minor interventions, meaning no measurable risk exists for surrounding ecosystems. No direct resource usage (e.g., land, water, or raw materials) from these sensitive areas was identified. Additionally, sites reported no dependencies on ecosystem services, such as flood protection or natural cooling. No emissions, pollution, or land use changes were found that could negatively impact local biodiversity.

Stakeholders did not report any concerns or feedback regarding potential risks to nearby sensitive areas. Furthermore, no formal communication channels or forums exist for discussing environmental issues, representing a potential area for improvement in stakeholder collaboration and awareness-building.

Although most sites lack structured biodiversity monitoring actions, some general environmental initiatives have been implemented. For instance, at the Bisamberg site in Austria, sustainability measures include waste separation; an electric vehicle fleet; the use of photovoltaic systems. However, these actions are not specifically designed for biodiversity monitoring or impact mitigation. There is potential to develop targeted monitoring systems and implement actions that directly address biodiversity protection.

The biodiversity assessment confirms that all reviewed sites align with sustainability objectives and have no material negative impact on biodiversity-sensitive areas. While current practices are sufficient to maintain neutrality, there is potential to further enhance biodiversity through proactive actions. These include: Developing structured monitoring systems; engaging local stakeholders; implementing targeted actions to protect sensitive ecosystems. Such steps could further strengthen the organization's commitment to environmental and biodiversity protection.

2.5. ESRS E5 – Resource Use and Circular Economy

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

Kontron manages its resource use through clear policies outlined in the CoC and SCoC. The company is committed to the responsible use of natural resources and to minimizing waste and environmental pollution. Its sustainable material procurement strategy focuses on: Using recyclable materials; reducing primary raw material consumption; continuously improving its environmental management system. Kontron products are designed for low energy consumption and manufactured with a resource-efficient approach to minimize environmental impacts across their entire life cycle.

Compliance with international environmental standards, such as ISO 14001, is mandatory for both Kontron and its suppliers. Suppliers are required to: Implement environmental management systems; regularly document their sustainability performance; undergo audits. Transparency and supply chain oversight are ensured through both internal and external audits, conducted on a random-sampling and case-specific basis. Where deviations are identified, corrective action plans are developed.

The company's goals include reducing waste and environmental impact, efficient use of water, energy, and raw materials. These efforts are supported by the use of renewable energy, paperless processes and energy optimization actions. Progress is monitored through key performance indicators (KPIs), including recycling rates, energy consumption, CO₂e emissions, water consumption. Some of these metrics are published in Kontron's non-financial report. Kontron's environmental standards apply globally without regional exceptions.

The executive board is responsible for ESG issues, actively supported by managing directors and division heads. These executives are responsible for implementing ESG objectives and promoting sustainable practices across the company.

The CoC and other guidelines of the Kontron Group incorporate various third-party standards and initiatives, which the company is committed to adhering to:

- › REACH and RoHS Regulations: Kontron ensures strict compliance with all relevant regulations, such as REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals) and RoHS Directive (Restriction of Hazardous Substances). These regulations govern product requirements and the safe handling of materials and chemicals throughout the supply chain (CoC).
- › UN Global Compact: Kontron is a voluntary member of the UN Global Compact, a global initiative promoting sustainable and responsible business practices. This includes implementing principles in human rights, labour standards, environmental protection, and anti-corruption efforts (CoC).
- › OECD guidelines: Kontron is committed to complying with OECD guidelines for responsible supply chains. This includes: due diligence obligations concerning conflict minerals, compliance with regulations related to high-risk areas, as specified in the SCoC.
- › ISO 14001 and other environmental standards: Kontron adheres to international standards such as ISO 14001 when implementing environmental management systems.

During the development of the ESG strategy, which includes resource use and circular economy, Kontron considers the interests of key stakeholders. This is achieved through regular stakeholder dialogues and a materiality analysis, aimed at identifying stakeholder-relevant topics.

The results of the materiality analysis are incorporated into the ESG strategy to ensure that stakeholder expectations and requirements are integrated into Kontron's sustainability approach. This ensures that Kontron's resource use and circular economy strategies align with both internal objectives and stakeholder expectations.

Kontron ensures that the strategy enshrined in the CoC is clearly accessible and understandable for all potentially affected stakeholders and those requiring assistance with implementation, as outlined in section "2.2.2 E1-2 – Policies related to climate change mitigation and adaptation".

Kontron pursues a product design strategy that reduces the consumption of natural resources through waste prevention and efficient recycling solutions. The use of recycled materials and waste prevention are integral to the strategy for conserving resources. In the field of environmental protection, Kontron is committed to the responsible use of resources by minimizing the consumption of raw materials, fossil fuels, and minerals to promote energy efficiency and sustainable resource management. Additionally, the company supports the use of renewable energy sources such as photovoltaic systems.

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Kontron has established clear standards and guidelines for sustainable procurement and the responsible use of renewable resources, which are documented in various group policies:

- › **Sustainable resource use and waste reduction:** Kontron's suppliers are required to minimize and, where possible, prevent all types of waste. This includes reducing water consumption and promoting lower usage of energy, fossil fuels, minerals, and other raw materials. Waste treatment must comply with applicable environmental legislation. Suppliers must implement processes to ensure the safe handling, transport, storage, recycling, and disposal of chemicals and other environmentally hazardous substances.
- › **Preventing environmental pollution, energy efficiency, and renewable energy:** Kontron requires its suppliers to use renewable energy sources such as photovoltaic and wind power while ensuring the efficient use of energy, water, and raw materials.
- › **Environmental Management Systems and Certifications:** Suppliers should establish an environmental management system, ideally certified in accordance with ISO 14001, that regularly assesses the environmental risks associated with business activities and products.
- › **Biodiversity and land use:** Kontron is committed to protecting biodiversity and promoting sustainable land use. The company refrains from converting primary forests, engaging in unsustainable deforestation, and supports the preservation of natural ecosystems.
- › **Water and soil protection:** Kontron ensures that its operations do not cause soil or water pollution and that no excessive water withdrawal takes place, which could negatively impact the environment or access to clean water.
- › **Risk management and supplier monitoring:** Kontron requires its suppliers to implement risk management systems and conduct regular reviews of their supply chains. They must introduce and document actions to mitigate risks associated with minerals sourced from conflict regions.

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

As part of the analyses and preparations for the EU Taxonomy, classifications have been assigned to the environmental objective "Circular Economy." At the time of reporting, specific goals, resources and a transition plan have not yet been defined. These key building blocks to enhance sustainability efforts will be developed as part of a phased plan. The first step is to focus on further data collection and improving data quality. Building on this, reliable data is used to formulate clear targets, derive targeted actions and determine the necessary resources.

2.5.3. E5-3 – Targets related to resource use and circular economy

At the time of reporting, specific goals, actions and resources have not yet been defined. These key building blocks to enhance sustainability efforts will be developed as part of a phased plan. The first step is to focus on further data collection and improving data quality. Following this, reliable data will be leveraged to define clear targets, implement targeted actions, and allocate necessary resources.

2.5.4. E5-4 – Resource inflows

The efficient use of resources and the selection of sustainable materials are key aspects of an environmentally friendly and future-proof economy. Resource inflows influence the ecological footprint of products and production processes. By increasing the use of sustainable materials – particularly for non-technical components – and utilizing renewable or highly recyclable raw materials, a closed material cycle can be promoted. This not only contributes to reducing waste and environmental impact but also enhances the long-term availability of critical resources.

According to the understanding of ESRS the following resources are purchased as part of the Kontron Group's activities: IT equipment, textiles, furniture, buildings, heavy, medium and light machinery, heavy, medium and light transport and warehouse equipment.

The calculation of resource inflows is based on data from the procurement systems of individual companies. These systems record all acquired materials, components, and packaging, enabling a detailed analysis of the resources used.

- › Total weight of products and materials used (technical & biological): 25,292,678 kg
- › Share of biological materials (including non-energy biofuels): 1.33%

- › Absolute weight of reused or recycled materials (including packaging): 1,023,396 kg
- › Share of recycled and reused materials in products: 4.05%; share of recycled materials in product packaging: 30.76%

Since most business units were only able to report the quantities of purchased goods in euros, a large portion of the total weight of the materials used had to be estimated based on purchase prices. For this purpose, primary data from Kontron and secondary data from the Ecoinvent database were used.

When calculating the share of recycled materials, data collection was conducted transparently and specifically for the goods supplied by each subsidiary. Only the average mass of the recycled materials was calculated based on external data, ensuring that double counting was avoided. The recycling rate was determined by identifying the amount of secondary materials and using various indicators, which were then compared to the quantity of primary materials. The proportion of biogenic materials was estimated using external databases, with a conservative approach that considered only cardboard packaging as biogenic material.

Additionally, currency fluctuations may affect the conversion from euros to kilograms.

2.5.5. E5-5 – Resource outflows

The durability of products varies depending on product category, material quality, and usage conditions. While some products – such as certain electronic devices and industrial components – are designed for a long lifespan, others – such as batteries and packaging – have a shorter service life. The following table presents the expected lifespan of different product groups compared to industry standards. Technological advancements, maintenance options, and environmental regulations play a key role in determining longevity.

Disclosure of the most important product groups and materials from the manufacturing processes and expected product service life compared to the industry standard:

PRODUCT GROUP	EXPECTED LIFESPAN (YEARS)	INDUSTRY STANDARD (YEARS)	SOURCE/METHODOLOGY
Packaging	<1–3 years	Not specified	Own assessment based on material & use
Batteries	3–10 years	Depends on battery type	Own assessment based on test data
Electronic products (general)	7–25 years	Depends on manufacturer & EOL policy	Manufacturer data, market standards, warranty period
IT equipment (servers, storage, networking)	8–10 years	8–10 years	Market standards, customer requirements
Printed circuit boards (PCBA)	4 years (consumer) / 9 years (industrial)	Variable by application	IPC standards
Industrial electronics & semi-finished products	8–15 years or longer	Depends on material quality & usage	Material specifications, environmental tests, customer data
Avionics products	7–10 years	10 years (market requirement)	MTBF analyses, market standards
Solar technology (inverters, power electronics)	15–20 years	15–20 years, depending on technology	Own assessment, market studies
Charging cables, wallboxes	~7 years	Not specified	Estimated value based on product type and technical support (e.g., availability of software updates).
Software & IT services	Not relevant	Not relevant	Not a physical product, not applicable.

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PRODUCT GROUP	EXPECTED LIFESPAN (YEARS)	INDUSTRY STANDARD (YEARS)	SOURCE/METHODOLOGY
Industrial & embedded products	10–15 years (component availability)	Not specified	Warranty period, market standards
Spare parts	At least 1 year (warranty period)	Not specified	Warranty period, manufacturer information

The Kontron Group's product portfolio is highly diverse, with varying requirements and options for individual products. The following is an overview of reparability aspects and key influencing factors across different product categories:

Electronic products & IT equipment: Modular designs and standardized components improve reparability. However, modern devices often contain soldered components or software-protected features, making repairs more difficult. End-user repair services are not available for all products, but business customers often have access to dedicated repair solutions. IT equipment reparability depends on the manufacturer's policies. Some terminals and modular products are specifically designed for easy component replacement. Single-use batteries cannot be repaired, while rechargeable batteries have limited reparability due to the need for specialized equipment to replace cells. While some devices are repaired, in many cases, replacement is the preferred solution for certain failures. In specific cases, repairs are outsourced to specialized service partners.

Repair strategies in the industry: Many electronic components can be repaired to a material extent (80–95%), except for coated or encapsulated parts. The economic viability of repairs is a key consideration. Spare parts, tools and obsolescence management contribute to long-term reparability, and many companies offer repairable components, depending on availability, technological possibilities, cost-effectiveness and customer requirements. Repair-friendly designs are sometimes implemented, but direct end-user repair services are often unavailable. Availability of spare parts varies by manufacturer. Some manufacturers guarantee long-term supply.

Charging technology & PV systems: Charging cables are often glued, making them non-repairable, wallboxes, however, can usually be repaired. Defective photovoltaic (PV) components are typically replaced by the manufacturer rather than repaired.

Some companies lack detailed information on reparability or are not directly involved in production, making reparability irrelevant to their operations.

Most packaging materials are highly recyclable, particularly glass, aluminium, cardboard, and certain plastics. Battery recycling rates vary depending on the type, with lead-acid batteries achieving the highest recycling rate of 95%. Electronic products contain valuable metals and materials, many of which can be effectively recycled, particularly in smart phones, laptops, and large appliances. Sustainable design strategies, such as modular construction and the increased use of recycled materials, enhance recyclability. Overall, the extent to which products can be recycled depends on their design, the materials used, and regional recycling infrastructure.

- › Recycled content in products: 4.05%
- › Recycled content in product packaging: 30.76%

Due to the lack of primary data, the recycling content of purchased goods was applied to the sold products for calculating the recycling share in products and packaging. Since no corresponding certificates were available for plastic packaging, its recycling rate was set to 0%, while the rate for cardboard packaging was assumed to be 84% based on scientific literature. Overall, a conservative calculation methodology was used to obtain realistic estimates for the required disclosure obligations. There are uncertainties in such calculations, as the data used is based on average values and may not accurately reflect the actual material compositions.

2.6. MDR-M – Metrics for Sustainability Aspects (E1, E3, E4, and E5)

This chapter provides an overview of material sustainability indicators related to various sustainability topics and how they are measured. It outlines the methods and assumptions used, data validation processes, and definitions of key figures. No external validation has been conducted.

KEY FIGURE	UNIT	METHODS & ASSUMPTIONS	VALIDATION	DEFINITION
Energy consumption	MWh	Measured using energy management systems and billing data from energy providers. If data gaps exist, estimates are made based on location area, employee numbers and revenue.	Data is processed through the ESG tool, compared with previous years (where possible), and subjected to internal review	Consumption of electrical energy and heat and fuels in MWh
Direct CO ₂ e emissions	tCO ₂ e (tons of CO ₂ equivalent)	GHG Protocol, Ecoinvent. Calculations based on CO ₂ e factors, data sets on km travelled, types of energy sources used, and substance classifications. Emissions assigned to Scope 1.	Software (data tool), external (consultant)	GHG emissions that originate directly from a company's own or controlled sources (e.g., from the combustion of fossil fuels in company-owned vehicles).
Indirect CO ₂ e emissions	tCO ₂ e (tons of CO ₂ equivalent)	GHG Protocol, Ecoinvent. Calculations based on CO ₂ e factors, data sets on km travelled, types of energy sources used, and substance classifications. Emissions assigned to Scope 2 and 3.	Software (data tool), external (consultant)	GHG emissions from upstream or downstream activities in the value chain (e.g., from transport and use of sold products (Scope 3) or from purchased energy (Scope 2)).
Costs	EUR	Consolidated based on invoices from all locations.	Internal validation (finance department)	Total energy costs in the financial reporting currency (EURO).
Total weight of products and materials used (technical & biological)	tons (t)	A minor proportion of the total weight of the materials used was specified exactly. The remaining amount of the total weight was estimated using the purchase price..	Prepared with external advisory, no additional validation.	Total material weight used in the reporting period, including both technical and biological substances.
Proportion of biological materials (including biofuels not used for energy purposes)	Percentage (%)	Share of recycled and reused materials in total material input. Calculated on the basis of databases and using purchased materials. The indicators used for this are the "Material Circularity Indicator" and "Circularity Index".	Prepared with external advisory, no additional validation.	Proportion of biological materials and non-energy biofuels in total material usage.

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KEY FIGURE	UNIT	METHODS & ASSUMPTIONS	VALIDATION	DEFINITION
Absolute weight of reused or recycled materials (including packaging)	tons (t)	The total weight of the materials used was multiplied by the proportion of recycled and reused materials.	Prepared with external advisory, no additional validation.	Total weight of all reused or recycled components, intermediate products, and materials used in product manufacturing and packaging.
Share of reused or recycled materials (in products and product packaging)	Percentage (%)	Share of recycled and reused materials in total material input. Calculated using databases and based on the purchased materials. The indicators used for this are the Material Circularity Indicator and the Circularity Index.	Prepared with external advisory, no additional validation.	Proportion of secondary (recycled) materials compared to total material usage.

3. Social information

3.1. Comprehensive information on social issues (S1, S2)

3.1.1. Whistleblower system

Kontron provides a comprehensive whistleblower system at group level, enabling employees and third parties to securely and confidentially report suspected misconduct, including discrimination and violations of occupational health and safety regulations. Reports can be submitted through various channels:

- › Secure website: <https://whistleblower.kontron.com>
- › Telephone hotline: 0800 700 799 (Austria) / +43 1 80191 1194 (international)

In addition, suspected cases can be reported personally or anonymously directly to local compliance departments or via local whistleblower platforms.

Group Policy 14.a ("Whistleblower Policy") defines detailed processes for reporting, investigation, and follow-up of reports. The Compliance Management Team at Group Headquarters is responsible for processing reports, ensuring confidentiality, protecting whistleblower identity, and preventing retaliation.

Kontron considers both formal compliance structures (e.g., compliance processes and responsibilities) and informal cultural aspects to overcome language and cultural barriers, ensuring that all employees can raise concerns without fear of negative consequences. The policy and whistleblower platform are available in multiple languages, further reducing barriers to reporting.

The multilingual whistleblower platform, which is accessible to employees and external persons, allows confidential and anonymous reporting of violations in the following areas:

- › Harassment and discrimination
- › Privacy and personal data
- › Theft
- › Diversity and inclusion
- › ESG – Environmental, Social and Governance
- › Money laundering
- › Conflicts of interest
- › IT and cybersecurity
- › Capital markets and insider trading
- › Corruption
- › Supplier and customer relationship
- › Human rights and corporate social responsibility
- › Product safety and consumer protection
- › Sexual harassment
- › Violations of occupational health and safety regulations
- › Violations of sanctions and terrorist financing
- › Competition and antitrust law
- › White-collar crime

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Regardless of the chosen reporting channel, all reports are treated confidentially, independently and objectively in accordance with the technical requirements of the EU Whistleblower Directive (2019/1937) and the General Data Protection Regulation (GDPR) to ensure that anonymity and confidentiality are unfailingly maintained.

The central investigative body is primarily the Compliance Department at headquarters, which performs, coordinates and monitors the processing of reports. In addition, several subsidiaries have their own central investigative bodies. Cases are dealt with in cooperation with other offices and departments as well as management or the Executive Board.

An IT system, internal controls and the multi-assessor principle support the Compliance Department in its task of processing reports of suspected misconduct.

Kontron offers group-wide training on the Whistleblower Policy as an e-learning module, ensuring that employees receive training on the group policy and confirm their acknowledgement. In cases of serious violations, Kontron reserves the right to take legal action to ensure an appropriate resolution.

During the reporting period, eight reports were submitted via the whistleblower platform. These reports exclusively concerned internal employees. There were no reports related to supply chain workers, consumers, end users, or human rights violations.

3.2. S1 – Own Workforce

3.2.1. S1-1 – Policies related to own workforce

Kontron follows a comprehensive personnel strategy that focuses on employee well-being and professional development. Flexible working models such as remote work, part-time options, and hybrid working, supporting work-life balance. Training and development programs are aimed at enhancing skills, leadership capabilities, and career progression to promote health and safety actions, including ergonomic workstations and psychological support, to promote employee well-being.

Kontron mitigates workforce risks, such as talent shortages and low retention, by fostering a positive corporate culture, conducting regular employee surveys, and improving working conditions. In order to strengthen employer branding and boost productivity Kontron endeavours diversity, inclusion, and an attractive work environment.

The strategy is continuously reviewed and refined based on employee surveys and satisfaction assessments, monitoring of turnover and absenteeism rates. Close collaboration between the HR department and leadership teams ensures that initiatives remain adaptable to the needs of both employees and the company.

Policies and principles of behavior

Kontron places great importance on ensuring that employees are comprehensively informed about the group-wide corporate policies. By implementing group-wide policies, Kontron fosters a uniform understanding of corporate standards and values among employees. These policies serve as guidelines for employees, promoting consistent behaviour and business practices across all operations. The overarching goal of these policies is to enhance uniformity in business practices, minimize risks and foster a sustainable and ethically driven corporate culture.

Among the most important of these policies and principles of behavior are:

› Capital market compliance guideline

The Capital Market Compliance Policy aims to raise awareness of insider information and establish effective control systems. By complying with capital market regulations, insider trading is prevented, thereby strengthening the trust of investors, customers, and business partners. Insider lists ensure compliance with legal requirements for handling insider information. Kontron maintains and updates these lists in accordance with the BaFin and FMA regulations. All affected individuals receive comprehensive training on their legal obligations, ensuring careful handling of confidential information, preventing conflicts of interest, and maintaining transparency.

› DEI Policy (Diversity, Equity and Inclusion)

Recognizing employee individuality while upholding equal opportunity, respect for different backgrounds, ages, religions, genders, and other characteristics, is an integral part of Kontron's corporate philosophy. The principles of diversity, inclusion, and equal treatment

are firmly embedded in Kontron's CoC and are further reinforced through the group-wide DEI Policy (Diversity, Equity, and Inclusion). This corporate policy sets out Kontron's obligations and responsibilities and defines Kontron's attitudes, roles and responsibilities in this regard.

› **M&A policy (Mergers & Acquisitions)**

This policy establishes rules and processes to ensure the proper execution of Kontron's mergers and acquisitions (M&A) processes. It defines the roles and responsibilities of M&A team members involved in these activities. The primary objective is not only to ensure an effectively structured due diligence process, but also to consolidate internal expertise and competencies. This approach allows Kontron to internally manage the due diligence process, enhance quality and reduce reliance on external consultants, avoiding redundant costs.

› **Supply chain sustainability and compliance policy**

Kontron is also committed to promoting best practices in supply chain management. In line with this commitment, this policy was drawn up to establish binding standards for the sustainable optimization of the global and local supply chain within the group of companies. The policy governs supplier assessment, the selection process, documentation and regular audits of external suppliers with clearly defined consequences in the event of poor results and violations of supplier standards. The aim is to promote sustainable business practices and ensure that ethical standards are met throughout the supply chain.

› **Whistleblower Policy**

The Kontron Corporate Whistleblower Policy aims to encourage all employees to report potential violations of laws, the CoC, or Kontron's internal guidelines in good faith. To this end, the group-wide Whistleblower Policy defines a clear process for handling reports of suspected misconduct, the responsible parties involved in investigations and the disciplinary and legal actions taken in case of proven violations. For further details, see section 3.1.1 "Whistleblower System".

› **Policy on the processing of personal data in the EU**

The personal data processing policy sets out the principles, processes and standards that Kontron follows when collecting, processing, storing and sharing personal data. This policy ensures that data processing is carried out in compliance with applicable data protection laws and regulations, particularly the General Data Protection Regulation, to protect privacy and individual rights. Other corporate policies on data protection and information security, such as the Information Security Policy, integrate key Group principles and ensure a consistent level of security across all operations.

› **Anti-corruption**

Kontron enforces a zero-tolerance policy towards corruption and bribery, ensuring strict compliance with all applicable anti-corruption laws. In international public procurement, adherence to legal requirements is crucial. Kontron complies with internationally recognized anti-corruption laws, including the UK Bribery Act, US Foreign Corrupt Practices Act (FCPA). These laws apply to Kontron's global operations. Within the CoC, Kontron and all employees are committed to complying with all relevant anti-corruption regulations. Kontron does not make monetary or material donations to individuals, private accounts and political parties or organizations. For further details, see the "G1–3 Prevention and detection of corruption and bribery" section.

› **Adherence to laws**

Adherence to and observance of all applicable laws are compulsory in the entire Kontron Group. All employees are required to adhere to both national and international laws applicable to their work. In order to enable employees and third parties to alert the Compliance Department to possible breaches of law committed in the company, the Kontron Group set up an electronic whistleblower system that also makes anonymous reports possible. This system is accessible via the Kontron website: <https://whistleblower.kontron.com/>. Potential contraventions can also be reported directly and at any time to the Compliance Officer, the Legal Affairs department, Human Resources or a member of the works council.

› **Human rights**

Adherence to internationally valid standards of human rights and working standards is a matter of course for Kontron. Our standards correspond to those of the International Bill of Human Rights, the European Convention on Human Rights and the principles in the

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United Nations Global Compact. We do not tolerate forced labour in any form, including involuntary work performed in a prison or in servitude.

At Kontron, every employee works on a voluntary basis. The employment relationship can be terminated by any employee through termination. Child labour is not tolerated. Kontron urges suppliers to comply with all applicable laws, including compliance with human rights and fair business practices (see the topics "Delivery Companies" and "Supplier Code of Conduct" on the Kontron Group Compliance website: <https://kontron.com/en/group/compliance>).

› Corruption risk assessment

Kontron is committed to the principles of responsible corporate governance and integrity. Honesty, trust and fairness shape Kontron's dealings with business partnerships and are an essential part of corporate governance. Accordingly, Kontron pursues a strict zero-tolerance policy with regard to all forms of corruption and bribery.

› Data protection and security

Data protection and IT security are Kontron's top priorities. Personal data is processed strictly in accordance with GDPR and local data protection laws. Guidelines, processes and protective actions are constantly being optimized.

As a technology leader, Kontron constantly faces cyber threats and relies on modern security controls, regular penetration tests and the certified processes ISO 27001 (information security), ISO 27018 (data protection in the cloud), and ISO 22301 (business continuity management). All internet-based services are secured by multi-factor authentication.

In 2024, around 3,600 employees completed cyber security training, supplemented by local training and a security awareness program. The data protection organization with data protection officers at Kontron and local levels ensures that data subject rights are respected. In 2024, there were some requests for data storage and deletion, but no complaints or proceedings from data protection authorities against the Kontron Group.

› Compliance training

To raise awareness of compliance issues, Kontron offers continual training using tailor-made e-learning modules. These modules are specifically tailored to the needs of employees who are exposed to certain compliance risks due to the areas they work in, their roles and their responsibilities and who therefore need special training in the respective fields. The modules focus particularly on the following key areas:

- › Code of Conduct
- › Fair competition
- › Capital market compliance
- › Protection against corruption
- › Preventing money laundering

As part of the onboarding process, new employees must complete compulsory training. Every two years, exposed business areas take part in a regular training cycle, taking organizational and personnel changes into account on an ongoing basis. Kontron promotes diversity and inclusion through multilingual training offerings.

In 2024, compliance training courses achieved a 100% completion rate – proof of the strong commitment of employees. In 2024, the focus was particularly on the Code of Conduct, which provides clear guidelines for all employees worldwide. The e-learning module "Capital Market Compliance" was also successfully completed with a high completion rate of 95%.

Kontron is continuously improving its training methods to increase the quality of sustainability reporting and transparency. A particular focus is on corruption prevention training, particularly for employees in high-risk countries, in order to further strengthen responsible action.

The CoC and DEI Policy apply to all Kontron employees, regardless of their position or department in the company. The Code of Conduct covers all business practices and sets out the basic ethical and legal standards expected of employees at all levels. Compliance with these standards is mandatory for all employees in order to ensure an ethically correct and respectful working environment.

In the following overview, the identified material IROs are presented with reference to the guidelines and concepts:

ADDRESSED ESSENTIAL IRO	TITLE AND CONTENT OF THE CONCEPT	TARGETS OF THE CONCEPT	MONITORING OF THE CONCEPT	SCOPE OF APPLICATION	RESPONSIBILITY FOR THE CONCEPT
S1 - Working conditions	DEI (Diversity, Equity & Inclusion) Policy: Promoting an inclusive work environment, equal opportunities and equal treatment regardless of origin, gender or other characteristics.	Strengthening corporate culture through diversity and inclusion, reducing discrimination.	Surveys and provision of the whistleblower system.	Valid for all employees worldwide.	HR department, executives, full board of directors.
S1 - working time	Flexible working time models and work-life balance: Kontron offers home office, part-time options and flexible working hours to better balance work and private life.	Reduce stress, improve work-life balance, and increase productivity.	Employee surveys, feedback meetings.	Applies to all office workers and relevant production areas.	HR department, executives, full board of directors.
S1 - working time	Working time management and overload prevention: Introduction of clear regulations on working hours and breaks to avoid overwork and errors.	Ensuring legally compliant working hours, reducing fluctuation and error rates.	Health checks and feedback meetings.	Applies to all departments with heavy workloads.	HR department, managers, works council.
S1 - Appropriate remuneration	Remuneration policy and fair wages: Adjustment of wages to market standards and economic developments to ensure fair pay.	Livelihood security, motivation and retention of employees through fair remuneration.	Market analyses, wage comparisons and consideration of inflation.	Applies to all employees worldwide.	HR department, full board of directors.
S1 - Gender equality and equal pay for work of equal value	Equal pay and the advancement of women: Kontron actively combats gender-specific pay gaps and specifically promotes women in technical professions.	Reducing wage inequalities, increasing the proportion of women in technical occupations.	Reporting on equality.	Valid for all employees worldwide.	HR department, ESG representative, accounting, full board of directors.
S1 - Actions against violence and harassment at work	Protection against violence and harassment: Introduction of clear guidelines, training and complaint mechanisms to prevent violence and harassment.	Ensuring a respectful and safe working environment for all employees.	Regular training, reporting systems.	Valid for all employees worldwide.	HR department, compliance department, works council.
S1 - Diversity	DEI Strategy and Equal Opportunity: Fostering a diverse workforce through targeted inclusion and equality programs.	Increasing the proportion of underrepresented groups, promoting intercultural teams.	Diversity reports, training, anonymized surveys.	Valid for all employees worldwide.	ESG representative, HR department, full board of directors.
S2 - Other employment-related rights	Conflict minerals and sustainable raw material procurement: Identifying and reducing risks associated with conflict minerals.	Sustainable and ethical procurement of raw materials, prevention of human rights violations.	Supply chain analyses, risk assessment of suppliers, regular audits.	Applies to all suppliers of raw materials.	Sustainability department, compliance department.

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Kontron takes a comprehensive and responsible approach to human rights, working conditions, and Diversity, Equity & Inclusion (DEI). This approach is based on internationally recognized standards such as the UN Guiding Principles on Business and Human Rights, the ILO Core Labour Standards, the Universal Declaration of Human Rights, and the OECD Guidelines for Multinational Enterprises. These principles are embedded in Kontron's CoC and SCoC and apply to all employees, executives, and business partners worldwide. The Executive Board of Kontron AG holds responsibility for the implementation of DEI objectives and, together with the central functions, ensures compliance with legal requirements and internal company policies. Managers and local leadership teams serve as role models and actively contribute to establishing a non-discriminatory and inclusive corporate culture.

Kontron promotes fair working conditions through transparent and non-discriminatory recruitment processes, equal career opportunities, and targeted development programs such as the Leadership Academy, which supports the advancement of women in leadership roles. In areas where women are underrepresented, female candidates are given preference in cases of equal qualifications. The DEI Policy defines clear principles of equal opportunity and explicitly opposes all forms of discrimination – regardless of gender, age, origin, sexual orientation, religion, disability, or other characteristics. DEI training is mandatory across the Group, available in multiple languages, and offered both online and in person. Additionally, the Sustainable Leadership Academy helps managers – particularly women in leadership – to integrate principles of diversity and sustainability into their day-to-day work.

In the area of human rights, Kontron places particular emphasis on preventing child labor, forced labor, modern slavery, and human trafficking – both in its own operations and throughout the supply chain. Suppliers are required to comply with these standards, monitor their sub-suppliers, and implement corrective actions immediately in case of violations. If such actions are not implemented, Kontron reserves the right to terminate the business relationship. To identify risks at an early stage, Kontron relies on regular risk assessments, audits, and a Group-wide anonymous whistleblower system available to both employees and external stakeholders. All reported violations are systematically reviewed, documented, and addressed with appropriate actions to achieve structural improvements and foster a culture of accountability.

The work environment is also a central focus: Kontron ensures safe and healthy working conditions through a structured occupational health and safety management system aligned with ISO 45001. This includes training, first aid equipment, personal protective gear, ergonomic workplace design, as well as accident prevention and emergency preparedness actions. Specific programs also address mental health concerns, such as those arising from hybrid work models or high workloads, and are supported by occupational health services. In production areas, regular safety training is conducted, and a structured incident management system ensures continuous improvement of safety standards.

To better understand the needs and expectations of employees and to further develop relevant actions, Kontron regularly conducts Group-wide employee surveys. The insights gained directly inform strategic decisions related to working conditions, employee development, health promotion, and retention. The DEI and CoC guidelines are accessible via the intranet and corporate websites and are regularly updated and communicated across the Group. Employees without digital access receive printed versions of the guidelines. Acknowledgment of receipt is mandatory to ensure that all employees are aware of, understand, and comply with the company-wide standards.

Kontron attaches great importance to accessibility and health protection. It offers barrier-free access, disabled sanitary facilities, private parking spaces for the disabled, and height-adjustable desks and chairs to meet the needs of all employees and promote their health.

Kontron regularly carries out workplace evaluations and risk assessments to ensure that workplace requirements are designed to be fair and inclusive. These evaluations are carried out by both internal and external safety officers. The aim is to identify and rule out potential risks that could result in specific groups being systematically disadvantaged by defining job requirements.

Particular attention is paid to analyzing work requirements and conditions to ensure that they do not have discriminatory effects, for example based on gender, age, disability or other personal characteristics.

The following current hiring, training, and promotion practices provide opportunities for employees and their development:

- › Settings: Vacant positions are first published internally in order to give existing employees the option of actively applying.
- › Continuing education: In the annual employee meetings, training and continuing education actions are defined with employees and implementation is monitored. In the following year, a review of the effectiveness of continuing education will also be carried out.
- › Promotions: In order to adequately prepare employees for potential management positions, they have the opportunity to receive basic training at the Leadership Academy, which takes place every two years. In addition, this program provides them with a mentor who has sufficient know-how as a long-standing manager. Internal candidates are preferred, particularly for specialized expert positions and management roles, in order to further promote their career opportunities.

Kontron creates training plans for employees on the basis of annual employee interviews. These plans include necessary or mandatory training and certifications as well as optional continuing education offerings that are tailored to individual needs and professional goals. The implementation and effectiveness of these actions are regularly reviewed as part of a structured review to ensure that the professional development of employees is sustainably promoted while meeting company requirements.

3.2.2. S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

Through anonymized employee surveys, employees are given the opportunity to actively participate in decision-making processes. As part of the annual employee interviews with supervisors, personal development and individual career goals are discussed together. At the same time, the discussion provides space to address important topics and suggestions for improvement for employees.

In various Kontron Group companies, employees have made use of their right to establish a works council. In these group companies, employees are involved through the works council representatives elected by them. In other companies that do not have a works council, the workforce is directly involved by local management.

The individual management of the companies hold regular information meetings and employee events for the workforce, although the frequency is at least four times a year and may vary depending on the company. In addition, a formal employee interview takes place once a year. Team meetings are held weekly and online newsletters are published at a frequency that depends on the respective company. An online employee survey, which is managed by the Group for all companies, is carried out every two years.

The management is responsible for the operational implementation of the involvement and for ensuring that the results obtained are incorporated into the strategic orientation of the organization.

The protection of workers' rights is ensured by international agreements, which are enshrined in the Code of Conduct and in the Supplier Code of Conduct. These guidelines set uniform standards and ensure that workers' rights are respected along the entire value chain.

The effectiveness of Kontron AG's commitment is assessed using various key figures and instruments. This includes: 1. Employee surveys, 2. Fluctuation and absence rates, 3. Staff interviews, 4. External benchmarks (e.g. company valuations in various portals).

Kontron has implemented various actions to avoid negative impacts:

- › Safety at work: For example, ergonomic workplaces (e.g. height-adjustable tables), stress management programs, mental health training, regular health checks, and psychological risk assessments.
- › Complaint mechanisms: Employees can submit complaints via transparent channels if they experience negative effects or grievances. These complaints are dealt with quickly and fairly (Whistleblower channel).
- › Continuing education and development opportunities: Continuous training opportunities and promotion of professional development.

3.2.3. S1-3 – Processes to remediate negative impacts and channels through which own workforce can raise concerns

The general approach and processes for providing or supporting remedies in the event of a material negative impact on the company's workforce are defined by the whistleblower process. In companies with an established works council, this can also act as a point of contact. The information under 3.1.1 Whistleblower System also describes the mechanisms for handling complaints in connection with employee matters. It also reveals how issues raised and addressed are followed and monitored and how the effectiveness of the channels is ensured.

The Kontron Group headquarters disclose whether and how it is assessed that employees know and trust structures or processes in order to raise their concerns or needs and address them. See point 3.1.1 Whistleblower system. There are also guidelines to protect against retaliation for people who express concerns or needs through the appropriate channels.

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

At the time of reporting, specific goals, actions and resources have not yet been defined. These elements to strengthen sustainability efforts are to be developed as part of a multi-stage plan. The first priority is data quality and improvement. Following this, reliable data will be leveraged to define clear actions, and allocate necessary resources.

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

Since 2022, Kontron has set goals for its own workforce, which are currently being revised and developed. These actions to strengthen sustainability efforts should be developed as part of a plan with methods and processes to achieve these goals. The focus is on data quality and improvement. On this basis, data is used to formulate goals, derive actions and determine the necessary resources. As a result, the data points cannot yet be answered in the first year of reporting. There is no tracking at the moment; an effective tracking system will be set up as part of the target creation process.

Kontron Group's goals for its own workforce

Diversity, non-discrimination, inclusion

- › Increasing the proportion of women in management positions by 20% (compared to 2022) by 2030
- › Expansion of funding programs for female managers
- › Increasing employee satisfaction

Training and education

- › Training hours will be increased by 20% (compared to 2022) by 2030
- › Access to compliance and data security training offers is guaranteed for all Kontron employees

Safety at work

- › Complete prevention of accidents at work

Due to the early development stage of the goals, as described, the MDR-T data points cannot yet be answered in the first CSRD reporting period.

3.2.6. S1-6 – Characteristics of undertaking's employees

The following section provides an overview of the characteristics of the company's employees based on various criteria such as gender, location and type of contract.

GENDER	UNIT	EMPLOYEES AS OF 31.12.2024
Male members	Headcount	5,025
Female members	Headcount	3,020
Other gender entry	Headcount	0
Not specified	Headcount	0
Total number	Headcount	8,045

COUNTRY	UNIT	EMPLOYEES AS OF 31.12.2024*
Germany	Headcount	2,807
Hungary	Headcount	921
Austria	Headcount	807

*Countries in which the company has at least 50 employees who account for at least 10% of the company's total number of employees are shown.

The following table shows the characteristics and information about employees by type of contract and gender. The number of employees is given per capita.

AS OF DECEMBER 31, 2024	UNIT	FEMALE MEMBERS	MALE MEMBERS	OTHER GENDER ENTRY	NOT SPECIFIED	TOTAL
Employees	Headcount	3,020	5,025	0	0	8,045
Permanent employees	Headcount	2,871	4,739	0	0	7,610
Fixed-term workers	Headcount	140	254	0	0	394
Employees with non-guaranteed working hours	Headcount	9	32	0	0	41

AS OF DECEMBER 31, 2024	UNIT	2024
Number of employees who have left the company	Headcount	1,364
Employee turnover rate	%	14.5%

The turnover rate is calculated as follows: the number of employees who left during the reporting period divided by the sum of the number of employees as of the reporting date (December 31, 2024) and the number of employees who left during the reporting period, multiplied by 100. Both voluntary and involuntary departures are taken into account.

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The description of the methods and assumptions used to produce the data is described in the section "3.2.16 MDR-M – Metrics relating to material sustainability aspects under S1". The figures are reported as of December 31, 2024 for the 2024 reporting period.

Personnel expenses are disclosed in the consolidated income statement (see Consolidated Notes, Part B, Note (5)). The number of employees in the consolidated notes is reported in full-time equivalents (FTE), excluding employees on leave, interns, apprentices, and temporary workers.

3.2.7. S1-7 – Characteristics of non-employees in the undertaking's own workforce

The following section provides an overview of the characteristics of the company's non-employees.

As of December 31, 2024, the Kontron Group employed non-employees as follows:

AS OF DECEMBER 31, 2024	UNIT	FISCAL YEAR 2024
Total number of non-employees within the organization's own workforce	Headcount	314
Self-employed	Headcount	166
Persons provided "Placement and provision of workers"	Headcount	148
Non-salaried persons, other	Headcount	0

The total number of non-employees in the company's own workforce is disclosed as of December 31, 2024. These include self-employed individuals (contractors, freelancers, and external workers without a direct employment contract with Kontron) as well as persons provided by companies primarily engaged in employment services and temporary employment (NACE code N78). The key figures are described in more detail in Chapter "3.2.16 MDR-M – Key figures relating to material sustainability aspects under S1".

3.2.8. S1-8 – Collective bargaining coverage and social dialogue

This chapter provides an overview of the coverage of the company's own workforce by collective agreements and employee representatives in various regions. Both the percentages of employees bound by collective agreements within and outside the EEA and representation by employee representatives are considered. The existence of agreements with European Works Councils is also discussed. Countries are shown where the company has at least 50 employees, who constitute at least 10% of the company's total workforce. 33.3% of total employees fall under collective agreements.

COVERAGE RATE	TARIFF COVERAGE	SOCIAL DIALOGUE
	Employees – EEA (for countries with >50 employees, representing >10% of the total workforce)	Employees – non-EEA (estimate for regions with >50 employees, representing >10% of the total workforce)
0-19%	Germany	-
	Hungary	
20-39%	-	-
40-59%	-	-
60-79%	-	-
80-100%	Austria	-

The proportion of employees covered by a collective agreement is calculated using the following formula: (number of employees covered by collective agreements divided by total number of employees) multiplied by 100. The proportion of employees working in companies with employee representation is calculated using the following formula: (number of employees in establishments with employee representation divided by total number of employees) times 100.

There is no agreement with employees on representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council or a Societas Cooperativa Europaea (SCE) Works Council.

3.2.9. S1-9 – Diversity Metrics

In this section, the indicators of diversity in terms of age groups and gender distribution at the top management level are presented. The background explanation of the methods and figures is described in Chapter “3.2.16 MDR-M – Key figures relating to material sustainability aspects.”

The following table shows the age group distribution of employees:

ALL EMPLOYEES	HEADCOUNT	PERCENTAGE
Age group <30	1,117	13.9%
Age group 30 - 50	3,964	49.3%
Age group >50	2,964	36.8%
Total number of employees	8,045	100,0%

The upper management level comprises managing directors, business unit heads, division managers and, where appropriate, interim managers. The following tables contain key figures to illustrate the gender distribution:

PEOPLE AT THE TOP MANAGEMENT LEVEL	HEADCOUNT	PERCENTAGE
Female members	40	19.5%
Male members	165	80.5%
Other gender entry	0	0.0%
Not specified	0	0.0%
Total number of people at the top management level	205	100.0%

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3.2.10. S1-10 – Adequate wages

To ensure that no employee is paid below the minimum wage, the lowest wage was calculated for the lowest pay category, based on the basic income and fixed additional payments, but excluding interns and trainees. This value was then benchmarked against the relevant reference values for each country within the EEA. For countries where a minimum wage is not established in accordance with EU Directive 2022/2041, the benchmark was set at 60% of the median wage or 50% of the average wage. For countries outside the EEA, the comparison was made with national or international minimum wage standards, including recognized benchmarks such as those of the Wage Indicator Foundation. The review confirmed that all employees receive at least the respective minimum wage.

3.2.11. S1-12 – Persons with disabilities

Kontron attaches great importance to accessibility and health protection in order to create an inclusive working environment. The following overview shows the number of employees with disabilities within the workforce:

AS OF 31.12.2024	HEADCOUNT	PERCENTAGE OF TOTAL EMPLOYEES
Female members	96	3.2%
Male members	101	2.0%
Other gender entry	0	0.0%
Not specified	0	0.0%
Total	197	2.4%

As of December 31, 2024, the number of employees with disabilities was recorded and broken down by gender. The definition of disability is based on the UN Convention on the Rights of Persons with Disabilities. Further information can be found under "3.2.16 MDR-M – Key figures relating to material sustainability aspects under S1". It has not undergone external validation.

3.2.12. S1-13 – Training and skills development metrics

This chapter provides an overview of performance reviews as well as training and development actions within the workforce. It looks at participation rates in regular performance and career development interviews and the average number of training hours per person – both by gender and by employee category.

The following overview discloses the key figures for performance reviews and training hours.

	EMPLOYEES WHO HAVE TAKEN PART IN REGULAR PERFORMANCE AND CAREER ASSESSMENTS		TRAINING HOURS FOR EMPLOYEES	
	HEADCOUNT	% OF TOTAL EMPLOYEES	TOTAL HOURS	HOURS PER PERSON
Female members	1,467	48.6%	56,663	11.3
Male members	2,556	50.9%	18,640	6.2
Other gender entry	0	0%	0	0
Total	4,023	50.0%	75,303	9.4

3.2.13. S1-14 – Health and Safety metrics

This chapter provides an overview of health and safety at work. It includes workforce coverage through regulations on occupational safety management systems, the number of work-related accidents and illnesses, as well as the resulting absences and deaths – both for employees and non-employees (collectively referred to as the “own workforce”). All companies follow local regulations for health and safety management systems. In addition, 24.5% of these companies are certified according to ISO 45001 or an equivalent standard, which thus covers around 1,974 employees in the company's own workforce.

The chapter “3.2.16 MDR-M – Key figures relating to material sustainability aspects” describes the methods and assumptions used, the validation of the data, and the respective definition of the key figures. There was no external validation of the data.

DESCRIPTION	UNIT	FISCAL YEAR 2024
Reportable occupational accidents involving employees in the company's own workforce	Number	32
Rate of reportable accidents at work among own employees (per 1,000,000 hours worked)	%	2.33
Number of deaths in the own workforce due to accidents at work and work-related illnesses	Number	0
Number of deaths as a result of accidents at work and work-related illnesses of other workers working at company locations	Number	0
Percentage of people in their own workforce covered by a health and safety management system based on legal requirements and (or) recognized standards or guidelines.	%	99.4
Percentage of employees in the Occupational Health and Safety Management System – Employees covered by Occupational Health and Safety Management System	%	100.0

Existing occupational health and safety management systems are based on the ISO 45001 standard. This internationally recognized standard sets requirements for an occupational safety and health (SGA) management system and provides a structured framework for identifying, minimizing, and controlling work-related risks.

Internal auditing is carried out in accordance with the requirements defined in ISO 45001 to ensure compliance with standards and continuous improvement of the system. In addition, external certification can be carried out by accredited testing organizations, which verify the effectiveness and compliance of the management system.

The share of reported occupational accidents within the total workforce is calculated as follows: the number of reportable occupational accidents involving the company's own workforce divided by the total hours worked during the reporting period, multiplied by 1,000,000.

The percentage of individuals in the company's own workforce covered by a health and safety management system based on legal requirements and/or recognized standards or guidelines is calculated as follows: the number of individuals in the own workforce covered by the management system divided by the total number of employees in the workforce, multiplied by 100.

The percentage of employees covered by the occupational health and safety management system is calculated as follows: the number of employees covered by the management system divided by the total number of employees, multiplied by 100.

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3.2.14. S1-16 – Remuneration metrics (pay gap and total remuneration)

The gender pay gap was calculated in accordance with the requirements of AR 98 and amounts to 34.18%. The calculation followed this formula: the average gross hourly wage of male employees minus the gross hourly wage of female employees, divided by the average gross hourly wage of male employees, multiplied by 100. Interns and trainees were not included.

The high gender pay gap is primarily due to the company's strong engineering focus. Since Kontron currently employs materially fewer female engineers than male engineers, the higher salaries typically associated with such specialist roles have a notable impact on Kontron's overall pay structure.

The ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of all employees is 14.03. This ratio is calculated as follows: the annual total compensation of the highest-paid individual in the group divided by the median of the annual total compensation of all employees in the group (excluding the highest-paid individual). Trainees and apprentices were not included, part-time employees were not extrapolated, no annualization of remuneration was applied for individuals who joined the group during the year, while for companies consolidated during the year, full-year remuneration for 2024 was taken into account. This result means that the highest-paid person in the company earns 14.03 times the median annual compensation of all employees. The ratio illustrates the income disparity within the company and provides insight into its compensation structure.

3.2.15. S1-17 – Incidents, complaints and severe human rights impacts

This chapter provides an overview of incidents, complaints, and violations in the area of social and human rights aspects within the workforce. It includes reported cases of discrimination, reports filed via complaint channels, and possible sanctions or compensation payments. The data collected is based on reports received via internal and external complaint channels such as the whistleblower platform. All complaints submitted are reviewed in accordance with established internal processes and, where necessary, verified through independent investigations.

During the reporting period, the whistleblower platform received an anonymous report of a possible sexual assault. The investigation was carried out carefully, and no evidence of violations of legal or internal regulations could be identified. In the reporting period, no fines, sanctions, or compensation payments were recorded in connection with the above incident.

The overview shows incidents and violations of human rights issues within the workforce:

AS OF DECEMBER 31, 2024

	UNIT	FISCAL YEAR 2024
Total number of reported cases of discrimination	Number	1
Number of complaints filed through channels through which people within the organization's own workforce can raise concerns	Number	1
Number of complaints filed through national contact points	Number	0
Total amount of material fines, sanctions, and compensation payments in the area of discrimination, including harassment	€	0
Number of serious human rights incidents involving the organization's workforce	Number	0
Number of severe human rights incidents involving the Organization's workforce that violate the United Nations Guiding Principles on Business and Human Rights or the OECD Guiding Principles for Multinational Enterprises	Number	0
Total amount of material fines, sanctions, and compensation payments related to serious human rights incidents involving the organization's workforce	€	0
Number of serious human rights incidents in which the organization has taken on a role in corrective action	Number	0

3.2.16. MDR-M – Key figures relating to material sustainability aspects under S1

This chapter provides an overview of material sustainability indicators on social issues relating to one's own workforce and their collection. It outlines the methods and assumptions used, data validation processes, and definitions of key figures. No external validation was carried out.

KEY FIGURE	UNIT	METHODS & ASSUMPTIONS	VALIDATION	DEFINITION
Employees	Number	Data collection from locations as of December 31, 2024 in the data tool. All employees in an employment relationship with the company were included (incl. inactive employees, apprentices and interns).	Internal local finance department and headquarters	Individuals who have an employment relationship with the company in accordance with national laws or customary practices.
Non-Employees	Number	Data collection from locations as of December 31, 2024 in the data tool	Internal local finance department and headquarters	Contractors who have entered into an agreement with the company to provide labor services ("self-employed"), or individuals supplied by companies primarily engaged in "employment placement and temporary employment agency activities" (NACE code N78).
Own Workforce	Number	Data collection from locations as of December 31, 2024 in the data tool	Internal local finance department and headquarters	Workers who are in an employment relationship with the company ("employees") and non-employed employees who are either sole proprietors, who provide the company with labor ("self-employed persons"), or persons provided by companies made available who primarily activities in the field of "placement and leasing of labor" (NACE code N78).
Training hours	Hours	Data collection from locations as of December 31, 2024 in the data tool	Local internal responsible persons	Hours of company initiatives aimed at maintaining and/or improving the skills and knowledge of employees.

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KEY FIGURE	UNIT	METHODS & ASSUMPTIONS	VALIDATION	DEFINITION
Performance Evaluation	Number of persons	Data collection from locations as of December 31, 2024 in the data tool	Local internal responsible persons	At least annual review on the basis of on the basis of criteria that employees and their supervisors are aware of (with knowledge of the employees). The review may include an assessment by the immediate supervisor of the employee, peers or a broader spectrum of employees.
Upper management	Number of persons	Data collection from locations as of December 31, 2024 in the data tool	Local internal responsible persons	Managing directors, business unit heads, division heads and, if applicable, interim managers.
Gender pay gap	Percent	Data collected from locations as per 31 December 2024. Average gross hourly earnings of male employees minus the gross hourly earnings of female employees, divided by the average gross hourly earnings of male employees, multiplied by 100. Excludes interns and trainees.	Internal validation	Earnings gap per hour between women and men without taking into account the different career levels or qualifications.
Employees with disabilities	Number of persons	Data collection based on internal HR records; sites with a works council or comparable employee representation are taken into account. Data was gathered from locations as of the reporting date, December 31, 2024, using the data tool. The definition and recognition of disabilities are based on national legal regulations.	Local internal responsible persons	Number of employees working at sites with official employee representation Persons with long-term physical, mental, intellectual, or sensory impairments which, in interaction with various barriers, may hinder their full and equal participation in society.
Reportable accidents at work involving employees	Number	Data collection from locations as of December 31, 2024 in the data tool Erfassung basierend auf internen Unfallmeldungen und gesetzlichen Meldepflichten	Internal health and safety reports	Number of accidents that are reportable in accordance with legal requirements.
Number of deaths in the own workforce due to accidents at work and work-related illnesses	Number	Data collection from locations as of December 31, 2024 in the data tool. Documentation of deaths in a work context, based on internal reports.	Internal accident reports	Number of fatal accidents at work and work-related illnesses in the company's own workforce.
Number of deaths as a result of accidents at work and work-related illnesses of other workers working at company locations	Number	Data collection from locations as of December 31, 2024 in the data tool. Recording of external work accidents in direct connection with company locations	Reports from contractors, internal reports	Number of deaths of external personnel due to accidents at work or work-related illnesses at company locations.

3.3. ESRs S2 – Supply Chain Workers

3.3.1. S2-1 – Policies related to value chain workers

The interests and views of stakeholders are explained in Chapter 1.9 on SBM-2. In the SCoC, Kontron obliges its suppliers to comply with international labour standards in accordance with the material IRO “S2 – Working Conditions”. This includes the prohibition of child labour, forced labour, and discrimination, as well as compliance with basic labour rights such as freedom of association, collective bargaining, and safe working conditions. This covers the safety of workers, protection against precarious employment relationships (e.g., workers with short-term or temporary contracts, third-party-employed workers, subcontracted labor, or informal workers), human trafficking, forced labor, or child labor, as well as compliance with fundamental labor rights such as freedom of association, collective bargaining, and safe working conditions.

Suppliers must ensure that these standards are implemented both in their own operations and along the entire value chain.

To implement these commitments, suppliers are expected to establish appropriate processes to identify and address risks related to human rights and labour standards. These include processes for reporting violations and mechanisms to ensure that employees have access to and can use these processes. In addition, Kontron's group-wide whistleblower system is available to all employees in the value chain. Concerns can be reported anonymously via a secure platform and a telephone hotline. This strengthens transparency and increases the effectiveness of mechanisms for compliance with standards and handling violations (see Chapter “3.1.1 Whistleblower System”).

Kontron requires transparency from its suppliers and reserves the right to assess compliance with the standards through self-assessments or document checks. These requirements apply in full to all workers in the value chain and help to ensure decent working conditions while effectively addressing potential risks. Processes are required to identify and address risks in the area of human rights and labour standards.

Kontron is committed to ensuring compliance with international labour standards by all suppliers worldwide, both in the upstream and downstream value chains. There are no geographical exceptions.

Kontron AG's top management is responsible for implementing the strategy. The Executive Board of Kontron AG has overall responsibility for compliance with and implementation of the standards defined in the SCoC and other relevant guidelines.

Kontron's guidelines, including the SCoC, are based on international standards such as ILO core labour standards, the United Nations Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights. These standards form the basis for the obligations that Kontron expects from its suppliers and ensure compliance with human rights, labour standards, and ethical business practices across the entire value chain.

Kontron involves key interest groups, in particular employees in the value chain, in its strategy. The SCoC follows international standards such as ILO core labour standards (ILO = International Labour Organization), which protect basic labour rights and prohibit child and forced labour. These requirements protect the rights of employees at suppliers.

The group-wide whistleblower system enables all stakeholders, including employees, to report securely and anonymously. In this way, stakeholders' perspectives are integrated into the strategy. Suppliers must meet clear requirements and are regularly reviewed to ensure the effectiveness of the strategy.

Kontron publishes its strategy in the SCoC, which is available on the company website. This SCoC contains binding requirements for compliance with international labour standards and fundamental human rights and forms the basis for cooperation with Kontron.

A group-wide whistleblower system, which is also accessible to external parties, enables workers and stakeholders to provide information anonymously and securely. In this way, Kontron ensures that stakeholders not only have access to the strategy, but can also actively participate in its implementation.

To ensure that the guidelines and standards are effectively implemented, Kontron has set up a comprehensive monitoring and reporting system. Suppliers are regularly audited and evaluated to verify compliance with the specified requirements. In addition, Kontron works closely with independent third parties to ensure the transparency and integrity of the audit.

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Kontron promotes continuous improvement through supplier training and support to ensure compliance with human rights and labour standards. Particular emphasis is placed on taking corrective action when violations are identified. This includes both preventive and corrective actions aimed at improving working conditions along the entire value chain.

Kontron is committed to actively protecting the rights of employees in the value chain and ensuring compliance with international human rights standards. The basis for this is the SCoC, which must be complied with by all suppliers. In it, Kontron demands compliance with the UN Guiding Principles on Business and Human Rights, the Declaration on Fundamental Principles and Rights at Work of the ILO, and the OECD Guidelines for Multinational Enterprises.

Kontron itself supports the implementation of these obligations through clear guidelines and a group-wide whistleblower system. This system enables employees in the value chain and other stakeholders to anonymously report potential violations, so that human rights challenges can be identified and addressed at an early stage.

Kontron follows a clearly defined approach to respecting the human rights of workers in the value chain, which is enshrined in the SCoC. This requires all suppliers to comply with international standards such as the UN Guiding Principles for Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

The SCoC's binding requirements include the prohibition of child labour, forced labour, and discrimination, as well as respect for basic labour rights such as freedom of association, collective bargaining, and safe working conditions. Suppliers are called upon to establish mechanisms to implement these standards and to identify and minimize potential risks along their value chain.

Kontron takes a holistic approach to involving workers in the value chain in order to protect their rights and interests. This is done through the obligations set out in the SCoC and by providing effective communication channels. The SCoC requires suppliers to comply with international labour standards, including ILO core labour standards, and to provide mechanisms that enable workers to securely report concerns or violations.

Kontron has established comprehensive actions to eliminate or prevent negative impacts on human rights in the value chain. The basis is the SCoC, which obliges all suppliers to comply with international human rights standards. These include the UN Guiding Principles on Business and Human Rights, the ILO Core Labour Standards, and the OECD Guidelines for Multinational Enterprises.

In the event of violations, Kontron works closely with affected suppliers to develop appropriate corrective actions and ensure their implementation. In the event of serious or repeated violations, Kontron reserves the right to terminate the business relationship. In addition, a group-wide whistleblower system is available that enables employees and other stakeholders to report potential violations anonymously and securely. These reports are systematically reviewed in order to identify human rights violations and take targeted actions to remedy them.

With this approach, Kontron ensures that human rights violations are not only consistently addressed, but also that preventive mechanisms are strengthened to minimize future risks along the entire value chain.

Kontron has implemented guidelines that specifically address the issues of human trafficking, forced labour, and child labour. These are set out in the SCoC, which acts as a binding code of conduct for all suppliers. The SCoC requires suppliers to comply with international labour standards, including the prohibition of forced labour, human trafficking, and child labour, and ensures that these principles are consistently implemented across the value chain.

Kontron ensures that its policies and actions relating to workers in the value chain comply with internationally recognized standards, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guiding Principles for Multinational Enterprises. The Kontron SCoC requires all suppliers to comply with these standards to protect workers' rights, including the prohibition of child labour, forced labour, and discrimination, and promotes compliance with basic labour rights such as freedom of association and the right to collective bargaining.

In the reporting period, there were no reports of non-compliance with these standards in the upstream or downstream value chain.

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

Kontron does not engage in direct communication with workers in the supply chain. To nonetheless ensure that their perspectives are considered, the company provides a whistleblower system on its website, which is accessible to all stakeholders, including supply chain workers. This system allows individuals to report actual or potential impacts, which are then taken into account in the company's decision-making processes. Additionally, Kontron is committed to implementing mechanisms to integrate these perspectives in cases where legal requirements, such as supply chain laws, necessitate it.

The whistleblower system remains available at all times, allowing submissions at any stage of business operations. The frequency of its use depends on the nature and number of reported incidents or concerns.

The compliance and legal affairs department is responsible for ensuring that insights gained from the whistleblower system are incorporated into the company's strategies. The chief compliance officer holds operational responsibility and provides regular updates to the executive board on reported issues and corresponding actions.

Kontron aligns itself with the OECD Guidelines for Multinational Enterprises and the International Labour Organization (ILO) standards. When awarding public contracts or contracts to industrial clients, the company ensures that fundamental labour and social standards are upheld. These standards are based on:

- › the International Labour Organization (ILO) Convention,
- › the principles of the UN Global Compact,
- › the relevant national laws of the country of manufacture.

By adhering to these frameworks, Kontron affirms its commitment to respecting human rights throughout the supply chain and ensuring compliance with both international and national regulations.

Currently, Kontron does not have dedicated processes in place for systematically assessing collaboration with workers in the supply chain. Nevertheless, the company offers a whistleblower system that is accessible to all individuals involved in the supply chain. Reports received through this system help identify potential risks or violations, enabling the company to develop and implement appropriate counteractions. If, in the future, regulations such as the Supply Chain Act become applicable to Kontron, the company will establish the necessary mechanisms to systematically assess the effectiveness of collaboration and compliance with labour standards.

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

Kontron takes a structured approach to addressing violations of the standards set out in the SCoC. If deviations are identified, a corrective action plan is agreed upon with the supplier, which must be implemented within a specified time frame.

Suppliers required to demonstrate compliance with the necessary standards across multiple areas must take immediate corrective actions to ensure adherence. Kontron collaborates with suppliers to define the necessary corrective actions and oversees their implementation.

If a supplier fails to implement the agreed actions or does not meet the required standards, this may lead to restrictions on the business relationship or even exclusion from Kontron's supplier network. Serious violations of the SCoC, such as involvement in child labour, result in the immediate termination of the partnership. In such cases, Kontron also informs affiliated companies about the issue.

Through this structured process, Kontron ensures that violations are not only identified but also systematically resolved, thereby maintaining high ethical and sustainability standards throughout the supply chain.

The SCoC obliges suppliers to:

- › Implement risk management systems that proactively identify and mitigate risks for workers. This includes regular risk assessments, preventive actions, and documented processes to address grievances.
- › Adhere to international standards, including prohibitions on child and forced labour, guaranteeing freedom of association and fair working conditions, and preventing discrimination.
- › Provide accessible grievance mechanisms for all employees. These mechanisms must ensure that concerns or violations can be reported safely and anonymously.
- › Kontron supplements supplier obligations with a Group-wide whistleblower system (see Chapter "3.1.1 Whistleblower System" for further details).

To ensure compliance with standards, Kontron conducts regular assessments and audits. Actions include:

- › Supplier audits: These may consist of on-site visits, self-assessment questionnaires, and reports from external auditors. The primary objective is to guarantee adherence to the standards set out in the SCoC.
- › Risk-based approaches: Suppliers classified as high-risk – whether due to concerns about human rights violations, child or forced labour, or material dependency (e.g., single-source suppliers) – are subject to enhanced scrutiny. This may include additional compliance declarations, on-site inspections, or audits conducted by independent organizations.
- › Findings and Corrective Actions: For minor infractions, Kontron collaborates with suppliers to establish action plans that facilitate improvements within a reasonable time frame. If a supplier persistently or materially breaches the SCoC standards, this could lead to the termination of the business relationship. For example, any severe violations, such as involvement in child labour, result in the immediate cessation of cooperation.

Kontron's whistleblower system allows not only internal employees but also third parties, including external stakeholders such as workers in the value chain, to report concerns or violations anonymously and securely via a protected website or a telephone hotline (see Chapter "3.1.1 Whistleblower System").

As stipulated in the Kontron SCoC, suppliers are required to establish their own grievance mechanisms, ensuring their workforce has a secure and confidential channel for reporting concerns. When concerns arise regarding compliance, Kontron assesses supplier adherence to this requirement through a supplier questionnaire that inquires about the setup and operation of their complaint mechanisms.

Additionally, suppliers may be asked to submit self-assessments confirming their compliance with the prescribed standards. In certain cases, Kontron may request supplementary documentation or proof to verify that the necessary requirements have been properly implemented.

Under the SCoC, suppliers must establish grievance mechanisms that are accessible to all their employees. These systems allow workers to raise issues at a local level and contribute to upholding ethical standards throughout the supply chain.

Furthermore, Kontron provides a central whistleblower system that also functions as an independent third-party grievance mechanism. This system is available to all workers in the value chain, including those employed by suppliers or subcontractors. Employees can submit concerns anonymously and securely via a dedicated website or a telephone hotline (see Chapter “3.1.1 Whistleblower System”).

To enhance the effectiveness of its complaint-handling systems, Kontron remains open to integrating additional third-party mechanisms, including those provided by governmental bodies, NGOs, or industry associations, as long as they are accessible and appropriate for workers in the value chain.

Kontron mandates its suppliers, through the SCoC, to implement robust complaint mechanisms that grant all workers in the value chain access to these reporting channels.

Kontron ensures that reports and concerns are systematically recorded, reviewed, and monitored under its Whistleblower Policy. All incoming reports are meticulously documented and processed within a structured case management framework. The focus is on protecting whistleblowers and ensuring the confidentiality of reports to guarantee transparent and secure processing.

User feedback is actively integrated into the development of the whistleblower system to continuously enhance its efficiency and accessibility. The system is not only accessible to Kontron employees but is also available to external stakeholders, such as employees in the value chain and other interested parties who may be affected by or aware of potential violations. As described in G1-1, a strict zero-tolerance policy is in place regarding retaliation against whistleblowers. User feedback is actively incorporated into the ongoing development of the whistleblower system to continuously improve its effectiveness and accessibility. This broad accessibility ensures that all relevant target groups have the opportunity to express their concerns and actively participate in the processes.

Kontron evaluates the effectiveness of the whistleblower system through structured case management, documented follow-up of reported concerns, and regular analysis of corrective actions. The results of these investigations are used to drive targeted structural improvements within the company.

Relevant business units are involved in the implementation and assessment of the derived actions. Based on identified risks, for example, Kontron Group Policy 5.e “Signature and Authorization” was revised and more widely communicated to ensure consistent implementation of the four-eyes principle.

Through this approach, Kontron reaffirms its commitment to responsible and transparent corporate governance. At the same time, stringent compliance standards are promoted across the entire value chain, serving as the foundation for sustainable and ethical business conduct. For more details, refer to Chapter “3.1.1 Whistleblower System”.

As outlined in the SCoC, Kontron requires suppliers to establish effective grievance mechanisms that are accessible to all employees throughout the value chain. These mechanisms must ensure that concerns and complaints can be securely and transparently reported and addressed. To guarantee their proper implementation, suppliers must familiarise their employees with the relevant processes and standards. In cases of uncertainty, compliance with this requirement is assessed via a supplier questionnaire, in which suppliers provide details on the implementation and functionality of their reporting mechanisms.

To confirm the practical application of these channels, suppliers may also be asked to provide further documentation or evidence. Kontron remains committed to continuously refining its oversight mechanisms to ensure the effective utilization of grievance systems across its entire supply chain.

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

At the time of reporting, specific goals, actions and resources have not yet been defined. These key building blocks to enhance sustainability efforts will be developed as part of a phased plan. The first priority is data collection and improvement of data quality. Following this, reliable data will be leveraged to define clear targets, implement targeted actions, and allocate necessary resources. Additionally, Kontron will ensure full compliance with applicable supply chain laws and align its efforts accordingly. Until these steps are completed, data points related to S2-4 that request information on plans or actions will not be addressed. As part of the process for managing material risks, identified high risks related to workers in the value chain are integrated into existing risk management processes.

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

At the time of reporting, specific targets, actions, and resources have not yet been defined. These key components to enhance sustainability efforts are being developed as part of a phased plan. The first priority is data collection and improvement of data quality. Following this, reliable data will be leveraged to define clear targets, implement targeted actions, and allocate necessary resources. Additionally, Kontron will ensure full compliance with applicable supply chain laws and align its efforts accordingly. Until these steps are completed, data points related to S2-4 that request information on plans or actions will not be addressed.

4. Governance information

4.1. ESRS G1 Business conduct

4.1.1. G1-1 – Corporate culture and business conduct policies

Kontron establishes, develops, promotes, and evaluates its corporate culture through well-defined principles, strategic actions, and transparent processes. The foundation for this is the CoC, which mandates ethical conduct, transparency, respect for human rights, and fair business practices. These values are deeply embedded in the corporate philosophy and apply to all employees, managers, and business partners.

To enhance corporate culture, Kontron has defined six core leadership principles that provide guidance for managers and foster both personal and professional development. Furthermore, the company invests in extensive training programs, including internal and external leadership training. There is a particular focus on the topics of diversity, equality and inclusion (DEI), which are regulated in a separate Kontron Group policy. This policy ensures that diversity is actively encouraged, recruitment processes are conducted fairly, and career development opportunities are accessible to all. This is further supported by targeted initiatives for the promotion of women, such as participation in Women Empowerment Principles and the establishment of the Sustainable Leadership Academy, which supports women in leadership roles.

Corporate culture is reinforced through open communication and regular employee surveys, which serve as a vital tool for feedback and improvement suggestions. An established whistleblower system enables employees and external partners to securely and anonymously report violations. Kontron also places material emphasis on an inclusive work environment, encompassing LGBTQ+ inclusion and ethical recruitment practices.

To assess corporate culture, Kontron relies on regular employee surveys, whose findings are systematically analyzed and translated into concrete improvement actions. Additionally, an ESG reporting tool is utilized to quantify progress in environmental, social, and governance areas. Relevant key performance indicators (KPIs) are integrated into sustainability reporting, ensuring a transparent overview of achieved progress.

Kontron has implemented a comprehensive whistleblower system that allows employees and external stakeholders to securely and confidentially report concerns regarding suspected misconduct or CoC violations. This system consists of a two-way channel, including both an electronic whistleblower platform and a 24/7 telephone hotline. These channels are designed to ensure secure, anonymous, and confidential communication.

Whistleblowers can choose whether to remain anonymous or disclose their identity. The platform supports multiple languages to remove cultural and linguistic barriers and provide broad access for whistleblowers.

Additionally, reports can be submitted directly to the Compliance Department – either in person, in writing, or anonymously via email at compliance@kontron.com. The highest level of confidentiality is guaranteed, and all reports are processed according to strict standards.

Kontron has established comprehensive and well-defined anti-corruption and anti-bribery policies that align with the United Nations Convention against Corruption (UNCAC). These actions are integral to the Kontron CoC Policy and the SCoC Policy, ensuring that ethical business practices are firmly embedded across all corporate levels.

The CoC explicitly commits Kontron to strict anti-corruption standards to minimize the identified material risk of "G1 – Corruption and Bribery – Reputation Damage from Corruption," as corruption could cause severe reputational harm, financial penalties, and jeopardize the company's integrity and financial standing. These actions include:

- › Clear guidelines for the acceptance and provision of gifts and invitations to prevent conflicts of interest and undue influence.
- › A strict prohibition on bribery and extortion: A complete ban on any form of bribery, corruption, or the granting of improper advantages.
- › Transparency in decision-making processes: Business transactions must always be traceable and documented.

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Kontron enforces these standards, enshrined in the CoC and SCoC, not only for employees but also for all suppliers and business partners. Suppliers are required to implement mechanisms to prevent corruption and bribery and ensure their supply chain adheres to these standards.

Kontron maintains a zero-tolerance policy toward any form of illegal or unethical conduct, fostering a culture of openness and fairness where employees can voice concerns about misconduct without fear of pressure or retaliation. To facilitate this, Kontron has established multiple reporting channels through which suspected illegal or unethical behaviour, violations of the Code of Conduct, or breaches of corporate policies can be reported.

A central foundation of the group-wide Whistleblower Policy is the establishment of a clear process for handling internal reports of suspected violations, determining who is involved in necessary investigations, and defining the disciplinary and (labour) legal actions applied in cases of verified misconduct. The goal is to foster an open corporate culture where concerns can be raised without fear of negative consequences. The anonymity and confidentiality of whistleblowers are guaranteed at all times; their identity is disclosed only when legally required and only to authorized individuals. Protection against reprisals is a key element of the Kontron Whistleblower Policy. Whistleblowers must never face discrimination, disadvantages, or any negative repercussions because of their reports. Violating this principle will result in appropriate disciplinary actions.

Kontron provides a two-way channel for whistleblowing, consisting of an electronic whistleblower platform and a 24/7 telephone hotline accessible worldwide. Additionally, employees are encouraged to report suspected cases directly to the Compliance Department, either in person or anonymously via email at compliance@kontron.com.

The multilingual whistleblower platform, accessible to both employees and external stakeholders, allows confidential and anonymous reporting of violations in the following areas:

- › Harassment and discrimination
- › Privacy and personal data
- › Theft
- › Diversity and inclusion
- › ESG – Environmental, Social, and Governance
- › Money laundering
- › Conflicts of interest
- › IT and cybersecurity
- › Capital markets and insider trading
- › Corruption
- › Supplier and customer relationships
- › Human rights and corporate social responsibility
- › Product safety and consumer protection
- › Sexual harassment
- › Violations of occupational health and safety regulations
- › Violations of sanctions and terrorist financing
- › Competition and antitrust law
- › White-collar crime

Regardless of the chosen reporting channel, all reports are treated confidentially, independently, and objectively, complying with the technical requirements of the EU Whistleblower Directive (2019/1937) and the General Data Protection Regulation (GDPR) to ensure secure anonymity and confidentiality. The compliance department at headquarters acts as the central investigative body, carrying out, coordinating, and overseeing the processing of reports. Additionally, numerous subsidiaries have their own central compliance units that work closely with the main department.

Reported cases are processed with the involvement of relevant functions, management, or the Executive Board to ensure a thorough and transparent investigation. This process is supported by an IT system, internal controls, and a multi-eye principle, providing the compliance department with additional tools to effectively and objectively process reports of suspected misconduct.

With this structured and comprehensive approach, Kontron ensures that violations are consistently addressed, whistleblowers are protected, and sustainable improvements in corporate processes are achieved. The whistleblower policy serves as a binding foundation for integrity, transparency, and ethical conduct throughout the company.

To ensure that the whistleblower system functions effectively across the organization, all employees across the Group receive regular training on the Whistleblower Policy. These training sessions guide employees in carefully reading, understanding, and actively integrating the Group Policy into their daily work processes. The training programs create clear awareness of the importance of whistleblower protection, the correct use of available reporting channels, and the associated rights and responsibilities. Participation in these training programs is mandatory and is systematically documented to ensure comprehensive implementation and confirm that employees have read the Whistleblower Policy.

Kontron already has comprehensive actions in place to protect whistleblowers. These are clearly defined and enshrined in the Whistleblower Policy and comply with international standards and legal requirements, particularly the EU Whistleblower Directive (2019/1937) and the General Data Protection Regulation (GDPR).

Kontron enforces a strict zero-tolerance policy against retaliation towards whistleblowers. The company ensures that all individuals who report concerns in good faith are protected from discrimination, disadvantage, or other negative consequences. This protection applies regardless of whether the reported allegations are substantiated or not.

Kontron has clearly structured and comprehensive processes for the prompt, independent, and objective investigation of incidents related to corporate governance, including corruption and bribery. These processes comply with the applicable legislation implementing the EU Whistleblower Directive (2019/1937) and the requirements of the General Data Protection Regulation (GDPR) and are enshrined in the Whistleblower Policy.

The company enforces a strict zero-tolerance policy on corruption and bribery and requires all employees and business partners to adhere to internationally recognized standards, particularly the UK Bribery Act and the US Foreign Corrupt Practices Act. Violations of these standards are systematically investigated and, where necessary, subject to disciplinary action.

Various secure and confidential channels are available for reporting potential violations, including an electronic whistleblower platform, a 24/7 telephone hotline, and the option to contact the compliance department personally, in writing, or anonymously via email at compliance@kontron.com. These channels are accessible worldwide and support multiple languages to ensure that cultural and linguistic barriers do not hinder reporting.

Each incoming report is initially reviewed for plausibility and relevance. Legitimate reports lead to a structured and independent investigation by the compliance department or internal audit team. During the investigation, all relevant information and evidence are meticulously gathered, analyzed, and documented. The entire process is conducted transparently and in strict compliance with whistleblower confidentiality and anonymity. The investigation concludes with a detailed final report summarizing findings and providing clear recommendations for necessary actions.

Following the investigation, appropriate actions may be taken depending on the nature and severity of the incident. These actions may include disciplinary actions, adjustments to internal control systems, or targeted training and awareness programs to prevent future violations. All reports and actions taken are documented and regularly assessed to continuously improve the system and ensure compliance with current legal and regulatory requirements.

Kontron has clear animal welfare guidelines in both its CoC and SCoC, ensuring ethical standards in animal treatment. The company is committed to complying with all relevant national and international animal welfare laws and unequivocally opposes any form of animal cruelty or mistreatment. Along the entire value chain, Kontron also expects its suppliers and business partners to strictly comply with these standards and ensures transparency and traceability in the implementation of appropriate actions.

Kontron has a clearly defined framework for internal corporate governance training, ensuring that all employees are regularly informed and trained on key company policies. The aim is to establish a common understanding of the company's values, standards, and expectations and to integrate them into daily work processes.

The trainings cover core topics such as the CoC, the Diversity, Equity & Inclusion (DEI) Policy, and the Whistleblower Policy. These training sessions take place annually across the Group for all employees in its subsidiaries. The training is delivered as structured e-learning, making it flexible and accessible regardless of time and location.

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As part of this e-learning, all employees must read and understand the relevant Group Policies and confirm their acknowledgement through a binding declaration. The policies are made available in the following languages: German, English, French, Spanish, Slovenian, and Hungarian.

This training framework ensures a consistent understanding of corporate governance and compliance topics across the Group, minimizes risks, and upholds the highest standards of ethics, integrity, and responsible conduct. Successful completion of training is documented and regularly reviewed to ensure employees understand and apply the content effectively.

The functions within the company most vulnerable to corruption and bribery are clearly defined in Kontron's training matrix. These roles have been identified to enable targeted training initiatives aimed at preventing corruption and bribery.

Particularly vulnerable functions include:

- › Division Manager
- › Finance Department (Accounting, Controlling, Internal Control, Treasury)
- › Legal Department
- › Compliance Department
- › HR Manager
- › Marketing
- › Data Protection Officer and Internal IT
- › Procurement and supply chain management (procurement/supply chain)
- › Sales and pre-sales (sales/pre-sales)
- › Service, delivery, consulting and engineering
- › Research & Development (selected employees working with external cooperation partners)
- › Administration and backoffice

These functions receive targeted training on "Protection against Corruption" to ensure that they are aware of the risks, can identify attempts at corruption at an early stage, and respond appropriately. The training courses are held annually and conducted in German, English, Russian, French, and Chinese.

The company has fully implemented the requirements of the EU Whistleblower Directive (2019/1937) in its internal processes and enshrined them in the Whistleblower Policy.

4.1.2. G1-3 – Preventing and Detecting Corruption and Bribery

Kontron has a strict zero-tolerance policy with regard to all forms of corruption and bribery.

Although Kontron generates a large part of its revenue in countries where the risk of corruption is rated as low by Transparency International's Corruption Perceptions Index (CPI), the company's global operations mean it is also active in countries where it is exposed to a higher risk of corruption.

As part of risk monitoring, regular risk assessments are carried out. Kontron takes into account both internal aspects, such as the business model of a unit, and external factors, such as the Corruption Perceptions Index.

The findings obtained from this risk analysis serve as a basis for the systematic implementation of our anti-corruption actions, which aim to prevent any form of corruption in all business activities.

All areas of Kontron AG, as well as all consolidated subsidiaries in every country, are included as potential risk owners in risk monitoring and risk assessment.

In recent years, Kontron has placed particular emphasis on mitigating risks through activities in regions with political instability and uncertain legal environments. Subsidiaries based in high-risk countries with a CPI score below 50, such as Uzbekistan and Kazakhstan, undergo an in-depth corruption risk assessment (Corruption Perception Index: Overall scale of 0–100, 0–19 very high risk; 20–39 high risk).

In theCoC, Kontron commits itself and all employees across the Group and worldwide to comply with all relevant legal anti-corruption regulations. To ensure that the principles are implemented in daily business processes and practices, Kontron has defined clear guidelines and minimum standards in the respective corporate policies for the following areas:

› **Bribery**

Kontron expressly states its firm commitment to rejecting and preventing all forms of corruption. Employees and managers are expressly prohibited from offering, promising, or granting financial or other benefits to business partners, customers, suppliers, authorities, or public officials to induce improper conduct. Kontron regards the fight against corruption and bribery as an ongoing and dynamic process that is regularly reviewed and adjusted. Since corruption risks are constantly evolving, there are no fixed completion horizons, but rather a continuous process of development and implementation of actions. The insights gained from risk analyses serve as a basis for targeted adjustments to ensure the effective integration of all relevant divisions and Kontron entities.

› **Corruptibility**

Employees must not allow business decisions to be influenced by undue advantages offered by suppliers or business partners, nor should they accept such advantages. It is also prohibited to demand unfair advantages from business partners.

› **Conflicts of interest**

A private or personal interest compromises the objective performance of obligations on behalf of the company. Employees and managers are required to avoid potential conflicts of interest by steering clear of situations where personal, family, political, or financial interests could conflict with those of Kontron. Should a situation arise that even creates the appearance of a conflict of interest, it must be reported within the company.

› **Gifts and invitations to events**

Gifts and invitations must always be appropriate and be given and accepted without concealment and with no expectation of a quid pro quo. It is important to Kontron to ensure that giving or accepting gifts or invitations never results in any financial advantage, disadvantage or damage to the reputation of employees, management or subsidiaries.

› **Sponsorship, donations and advertising**

Kontron makes no monetary or material donations to individuals, private accounts, political parties or political organizations. This also includes organizations that could damage Kontron's interests or reputation. In addition, events, political parties, or authorities are generally not sponsored.

All suspected cases are carefully reviewed and, where necessary, sanctioned by disciplinary actions. Verified violations of anti-corruption guidelines are punished without exception with appropriate disciplinary actions, including dismissal. In the year under review, the company was not aware of any cases of corruption.

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Combating corruption includes the development and implementation of mandatory training courses. Kontron offers regular training in corruption prevention to raise awareness of the issue among the participants. The selection is based on risk-specific criteria. In addition, all relevant business partnerships are continuously checked through third-party screening, not only before contracts are concluded but also regularly for changing framework conditions. No material risks of corruption were identified in the period under review.

In addition, anyone can use the group-wide whistleblower platform to confidentially and, upon request, anonymously report possible misconduct such as corruption, bribery, conflicts of interest, antitrust law violations, or violations of capital market law. Furthermore, our telephone hotline, which is available around the clock, offers an anonymous option to report potential misconduct.

As far as the Executive Board is aware, there were no incidents of corruption or group-related violations in the reporting period.

The Audit Committee monitors compliance with the company's compliance guidelines as well as the internal control and risk management system. The committee is chaired by independent members who are neither active in operational management nor former board members. This structure ensures objective oversight and reflects Kontron's commitment to integrity and the highest compliance standards.

The Compliance Management Team at Kontron AG Headquarters reports regularly and on an ad-hoc basis to the Audit Committee, the Executive Board, and the Supervisory Board. Reporting occurs both within standardized reporting cycles and on an ad-hoc basis in the event of material incidents, such as the identification of serious violations or the exceeding of predefined risk thresholds.

The Kontron CoC, which contains comprehensive guidelines for preventing and detecting corruption and bribery, is made available via various channels. It is published on the Kontron website, local subsites, and the intranet and is also available in physical form in designated social areas at company locations. The "Protection against Corruption" e-learning program is available for employees in risk-exposed positions, specifically addressing the challenges and risks within their work environment. Regardless of their position, all employees complete an e-learning module on the CoC, which covers key topics such as anti-corruption regulations. This comprehensive approach ensures that all employees are not only informed but also actively engaged in upholding the company's high ethical standards.

During the reporting period, 1,850 employees were assigned the "Protection against Corruption" training. The basis for this assignment is the training matrix developed by Kontron AG's Compliance Management Team. This matrix takes into account the specific responsibilities and risk profiles of different employee groups to ensure targeted and effective training. The "Protection against Corruption" training is offered in German, English, Russian, and Chinese and is specifically designed for the following positions within the Group:

- › Business unit managers, including F&A and country managers
- › Finance departments (e.g., accounting, controlling, treasury)
- › Legal Department
- › Compliance
- › HR Manager
- › Marketing
- › Privacy and Internal IT
- › Purchasing/Supply chain
- › Sales
- › Services, delivery, consulting, engineering
- › Research & Development (selected employees working with external cooperation partners)
- › Administration and backoffice

In addition, every employee is required to complete CoC e-learning. This module includes reading and confirming the CoC and raises awareness of the extensive anti-corruption regulations. For employees without email access, the CoC is provided in physical form for review and signature. This multi-level approach ensures that all employees are fully informed about the company's high ethical standards and trained in their implementation.

During the reporting period, 97% of the risk functions defined in the training matrix were covered by the "Protection against Corruption"

training program. This result highlights the high priority Kontron places on prevention and awareness in the areas of corruption and bribery.

According to the training matrix, executive board members, division managers (including Finance & Administration), and country managers complete the "Protection against Corruption" training. These trainings are specifically tailored to the responsibilities and risks associated with their roles. The content covers both fundamental and advanced information on internal company policies, relevant legal requirements, and the practical application of compliance standards.

Kontron places great importance on ensuring that training programs are optimally tailored to employees' specific needs to maximize their effectiveness. A key component is a pretest that assesses participants' prior knowledge and specific training needs. Based on the results, the content is individually adapted, particularly for employees in risk-sensitive roles.

To accommodate regional and language differences, training is offered in multiple languages, including German, English, Russian, and Chinese. This differentiated approach enhances the effectiveness of training by addressing the specific needs of employees across different regions and job functions. This targeted and needs-based approach helps maintain the company's high compliance standards and strengthens employees' ability to manage corruption risks effectively.

Kontron ensures that compliance and anti-corruption actions are integrated into governance and risk management structures. These actions are financed as part of the company's regular budget and are adjusted to meet operational and regulatory requirements. Amounts are not reported separately, as these actions are regarded as part of the general compliance strategy.

In fiscal year 2024, Kontron provided training for its own employees in high-risk roles in accordance with its policy (see Table). Training is mandatory for these high-risk roles, but Kontron also offered voluntary training for other employees. The details of training sessions conducted during the year are as follows:

TRAINING COVERAGE	SENSITIVE FUNCTIONS	MANAGER	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES	OTHER OWN EMPLOYEES
Total number	1,855	157	291	0
Number of people trained	1,819	155	287	0
Face-to-face training	None			
Computer-based training	Approx. 45 min- utes processing time/employee	Approx. 45 min- utes processing time/employee	Approx. 45 min- utes processing time/employee	
Voluntary computer- based training	None	None	None	
How often is training required?	Yearly	Yearly	Yearly	
Definition of corruption	X	X	X	
Policies	X	X	X	
Suspicion/Detection Processes	X	X	X	
Miscellaneous	X	X	X	

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4.1.3. G1-4 – Incidents of Corruption or Bribery

As far as the Executive Board is aware, there were no incidents of corruption or group-related violations in the reporting period. In the reporting period, no cases of corruption became known that had material negative impacts or required specific corrective action.

If a case of corruption is identified, an investigation is carried out in accordance with defined internal guidelines and processes. All suspected cases are subject to a structured review by the Compliance Office in collaboration with internal and, where appropriate, external experts. The group-wide whistleblower system enables confidential and, upon request, anonymous reporting of possible violations to ensure early clarification. Confirmed violations are consistently sanctioned in accordance with applicable employment law and internal company regulations. Depending on the severity of the violation, actions range from warnings to termination of employment or, where appropriate, involvement of the competent authorities.

If acts of corruption result in demonstrable economic or legal disadvantages for business partners, customers, or other stakeholders, appropriate corrective actions are examined and implemented. These may include correcting or cancelling affected contractual agreements, taking internal actions to minimize risks, or assisting affected third parties, insofar as necessary in individual cases.

In the reporting period, there were no confirmed cases in which own employees were dismissed or disciplined due to corruption or bribery.

As far as the Executive Board is aware, there were no confirmed cases in which contracts with business partners were terminated or not extended due to violations related to corruption or bribery. The zero-tolerance policy against corruption and bribery remained unchanged in financial year 2024 and continues to form the basis of Kontron's compliance strategy. Consistent compliance with all relevant anti-corruption laws was a top priority.

In 2024, corruption prevention actions were further expanded. A material step forward was the increase in the completion rate for the "Protection against Corruption" training program to 97%, accompanied by an increased number of participating employees. This highlights the growing awareness of compliance issues across the company.

The continuous implementation and improvement of anti-corruption actions underlines Kontron's sustained commitment to effective corruption prevention.

AS OF DECEMBER 31, 2024	UNIT	FISCAL YEAR 2024
Number of convictions for breaches of corruption and bribery rules	Number	0
Amount of fines for breaches of corruption and bribery rules	€	0
Total number of confirmed corruption or bribery cases	Number	0
Number of confirmed cases of in-house workers being dismissed or disciplined for corruption or bribery	Number	0
Number of confirmed cases involving contracts with business partners that were terminated or not renewed due to breaches related to corruption or bribery	Number	0

4.1.4. MDR-M – Key figures relating to material sustainability aspects of G1

This chapter provides an overview of material sustainability indicators on governance topics and their collection. It outlines the methods and assumptions used, data validation processes, and definitions of key figures.

KEY FIGURE	UNIT	METHODS & ASSUMPTIONS	VALIDATION	DEFINITION
Number of convictions for breaches of corruption and bribery rules	Number	Collection based on final judgments in relevant jurisdictions	Compliance report, court rulings, regulatory decisions, and reports	Number of final convictions for corruption or bribery within the company
Amount of fines for breaches of corruption and bribery rules	EUR	Recording of all fines imposed by authorities or courts	Compliance report, official penalty notices, financial reports	Total fines imposed in connection with corruption and bribery offences
Total number of confirmed corruption or bribery cases	Number	Recording of all cases of corruption or bribery confirmed by internal investigations, external authorities, and compliance reports	Internal local managers	Hours of corporate initiatives aimed at maintaining and/or improving skills and knowledge
Number of confirmed cases of in-house workers being dismissed or disciplined for corruption or bribery	Number	Documentation of disciplinary actions or dismissals due to violations of corruption	Compliance report	Number of cases in which employees were prosecuted or dismissed due to proven violations of corruption or bribery
Number of confirmed cases involving contracts with business partners that were terminated or not renewed due to breaches related to corruption or bribery	Number	Recording the number of contract terminations or non-renewals due to proven violations of corruption or bribery	Compliance report, third party due diligence	Number of business relationships terminated or not extended due to proven violations of corruption or bribery
Total number of people trained	Number	Recording of all people who have taken part in training courses, regardless of the form of training (face-to-face, e-learning)	HR and compliance reports, training records, e-learning data	Total number of employees who have completed training on corruption and bribery
Number of people trained	Headcount	Recording by type of training (face-to-face, e-learning)	Training databases, participation certificates, e-learning tracking data	Number of employees who have completed training on preventing corruption
Face-to-face training	yes/no	Documentation whether face-to-face training was offered	Training reports, compliance department	Indicate whether training was carried out face to face
Computer-based training	Time	Average processing time per employee based on the standard duration specified by the e-learning platform.	E-learning tracking, internal records	Duration of computer-based training
Voluntary computer-based training	yes/no	Recording whether voluntary training was offered	Internal training reports, e-learning data	Indicate whether optional training exists
How often is training required?	Frequency	Requirements through company guidelines or legal requirements or regulatory requirements	Compliance guidelines, internal training plans	Mandatory repetition frequency of training

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KEY FIGURE	UNIT	METHODS & ASSUMPTIONS	VALIDATION	DEFINITION
Definition of corruption	Checklist	Review through training content and guidelines	Training materials, compliance documents, internal guidelines, legal and regulatory requirements, whistleblower system	Covering a clear and legally compliant definition of corruption as part of training
Corruption prevention guidelines	Checklist	Review through internal company guidelines, applicable legal and regulatory requirements	Compliance department, internal training materials, whistleblower system	Coverage of company-specific guidelines for preventing corruption as part of training
Suspicion/Detection Processes	Checklist	Verification of whether processes for reporting suspected corruption are included	Training materials, compliance processes, whistleblower system, internal guidelines	Covering instructions for suspected cases and reporting channels as part of the training
Miscellaneous	Checklist	Other relevant training content on preventing corruption	Internal documentation, training evaluation	Covering instructions and other relevant content on preventing corruption as part of the training

4.2. Quality Management and Certifications (Company-Specific Information)

Delivering flawless, high, and sustainable quality across our entire portfolio for our customers is our ongoing commitment. We continuously review and improve the quality of our products, solutions, and services at every stage of the value chain. In doing so, we consistently pursue our "Quality Mission":

- › Activation of product-specific central process responsibilities and employee involvement
- › Reliable business partnerships with predictable behavior for customers, suppliers, and other stakeholders
- › Provision of a sustainable level of service regarding product quality, including communication, strong customer focus, and high customer satisfaction

At Kontron Group's major sites, we have established a quality management system that defines group-wide uniform standards and processes for quality, occupational health and safety, and environmental protection. This quality management system controls our operational processes and ensures that we consistently deliver the highest possible quality to our customers.

Our products comply with legal requirements, relevant standards, and specifications such as UL, CSA, CQC, VDE, and TÜV-certified safety. Through internal audits and assessments by external certification bodies, we ensure the effectiveness and efficiency of our quality management system.

Since 2024 serves as the new baseline year under the new CSRD reporting framework, data from previous years is not reported. There was a general increase in the number of certifications, which is also attributable to the acquisition of several companies. The number of legal entities holding valid certifications in 2024 is listed in the following table.

CERTIFICATION	NUMBER 2024
ISO 9001 (Quality management systems)	44
ISO 14001 (Environmental management standard)	27
ISO 27001 (Information security)	14
ISO 45001 (Occupational health and safety management systems)	13
ISO 13485 (Medical devices - quality management systems)	9
ISO 50001 (Energy management systems)	6
IATF 16949 (International Automotive Task Force)	5
EcoVadis Award - Silver	4
AS 9100 / EN 9100 (Quality management system - requirements for aviation, space and defense organizations)	4
EcoVadis Award - Bronze	3
ISO/IEC 20000 (IT service management)	3
ITAR (International Traffic in Arms Regulations)	2
EASA 145 (European Aviation Safety Agency Certificate)	2
ISO 37001 (Anti-bribery management systems)	2
TISAX (Trusted Information Security Assessment Exchange)	2
ISO/IEC 17067 (Fundamentals of product certification and guidelines for product certification schemes)	1
ISO 31000 (Risk management)	1
IECQ-H DNVTW (Hazardous substance process management)	1

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CERTIFICATION	NUMBER 2024
IRIS (Railway Industry Standard)	1
VCA**/SCC** (Safety Certificate for Contractors)	1
ISO 39001 (Road traffic safety (RTS) management systems)	1
ATEX (explosive atmospheres)	1
ISAE 3402 Type II (Service organization control reports)	1
RISQS (Railway Industry Supplier Qualification Scheme)	1
FAA REPAIR STATION (Air agency certificate)	1
ISO 56001 (Innovations management)	1
AQAP 2110:2016 + 2210:2015 (Allied Quality Assurance Publication)	1
ISO 22301 (Business continuity management system)	1

Linz, March 26, 2025



Hannes Niederhauser



Dr. Clemens Billek



Michael Riegert



Philipp Schulz



Dr. Johannes Fues

5. APPENDIX

I) List of matters (i.e. topic, subtopic, or sub-sub-topic) in AR 16 ESRS 1 Appendix A that are considered material

TOPIC	IMPACT TITLE	IMPACT DESCRIPTION	POSITIVE (+)/ NEGATIVE (-)
E1 - Climate change mitigation	Contribution to climate change through GHG emissions	Contribution to climate change through greenhouse gas emissions from the direct and indirect use of fossil fuels, e.g. Scope 2/3, during production and through various transport methods.	-
E1 - Energy	High energy requirement	Kontron's products and services require a high amount of energy.	-
E3 - Water	High water consumption in the upstream value chain with negative impacts on ecosystems	Mineral mining and chip production in Kontron's supply chain consume material amounts of water. This poses the risk of excessive resource use and exhaustion, which can affect ecosystem services and potentially affect local communities in water-vulnerable areas.	-
E4 - Direct use of resources	Impacts of mining rare metals and minerals	Responsible use of rare metals and minerals: The degradation of these materials can lead to habitat destruction, which has a negative impact on flora and fauna and can affect biodiversity.	-
E5 - Resource outflows associated with products and services	Resource efficiency in the product life cycle	Kontron's optimization of production and repair-friendly products helps to conserve resources and extend lifespan, reducing environmental impact.	+
S1 - Working conditions	Employee Benefits	Additional benefits such as food subsidies, additional vacation days for volunteer work and birthdays, company bike programs, and travel allowances increase employee loyalty and can help reduce CO ₂ emissions.	+
S1 - Working time	Promoting employee wellbeing	A supportive work environment with flexible working hours reduces stress and increases overall job satisfaction.	+
S1 - Working time	Risks due to employee overwork	Working excessively long hours without sufficient breaks can lead to burnout, more mistakes, and high turnover.	-
S1 - Gender equality and equal pay for work of equal value	Problems of industry-related wage inequality	Market-dependent wage differences between sectors, e.g. technical occupations, are often better paid than occupations in the social sector.	-
S1 - Actions against violence and harassment at work	Protection actions against violence and harassment	An increased sense of security and a higher sense of well-being among employees through actions that go beyond local regulations.	+

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TOPIC	IMPACT TITLE	IMPACT DESCRIPTION	POSITIVE (+)/ NEGATIVE (-)
S1 - Diversity	Benefits of a diverse workforce	A diverse workforce (ethnic origin, gender, age, etc.) enables different approaches and better communication. Kontron has had positive experiences with diversity.	+
S1 - Other work-related rights	Risks due to neglect, misconduct, and serious human rights violations	Misconduct, neglect, and other human rights violations can occur, particularly in high-risk areas.	-
S2 - Other work-related rights	Potential risks to human rights posed by conflict minerals	Risk of the use of conflict minerals in the value chain and associated human rights violations in mining countries.	-
TOPIC	RISK/OPPORTUNITY TITLE	DESCRIPTION	RISK/ OPPORTUNITY
E1 - Adapting to climate change	Innovative products	Kontron has the financial opportunity to benefit from new market segments that prioritize sustainability. This is done by developing and offering products for environmentally conscious consumers, while at the same time strengthening energy independence and reducing dependence on volatile energy markets through the use of renewable energy sources.	Opportunity
E1 - Energy	Increasing energy costs	Kontron is exposed to the financial risk of rising energy costs and potential energy supply bottlenecks, which could affect production efficiency and increase operating costs.	Risk
E5 - Resource inflows, including resource usage	Using sustainable materials	Using more sustainable materials for non-technical components and using renewable or highly recyclable materials to promote the circular economy.	Opportunity
E5 - Resource outflows associated with products and services	Promoting the circular economy	Kontron's use of renewable and recyclable materials and interchangeable components promotes the circular economy and the longevity of products.	Opportunity
G1 - Corruption and Bribery	Reputational damage due to corruption	Corruption can result in material reputational damage and heavy fines for Kontron and thus jeopardize the integrity and financial stability of the company.	Risk

II) Table showing all data points resulting from other EU legislation, as shown in (Annex B ESRs-Standards)

DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
ESRS 2							Material
GOV-1	Gender diversity in management and supervisory bodies	Paragraph 21, Point d	Indicator No. 13 in Annex 1, Table 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		Material
GOV-1	Percentage of board members who are independent	Paragraph 21, Point e			Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
GOV- 4	Due diligence statement	Paragraph 30	Indicator No. 10 in Annex 1, Table 3				Material
SBM-1	Involvement in activities related to fossil fuels	Paragraph 40 Point d (i)	Indicator No. 4 Table 1 in Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative information on environmental risks, and Table 2: Qualitative information on social risks	Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
SBM-1	Involvement in activities related to the production of chemicals	Paragraph 40 Point d (ii)	Indicator No. 9 in Annex 1, Table 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
SBM-1	Involvement in activities related to disputed weapons	Paragraph 40 Point d (ii)	Indicator No. 14 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1818 (7), Article 12 Paragraph 1 Delegated Regulation (EU) 2020/1816, Annex II		Material
SBM-1	Involvement in activities related to tobacco cultivation and production	Paragraph 40 Point d (iv)			Delegated Regulation (EU) 2020/1818, Article 12 Paragraph 1 Delegated Regulation (EU) 2020/1816, Annex II		Material
E1							
E1-1	Transition plan to achieve climate neutrality by 2050	Paragraph 14				Regulation (EU) 2021/1119, Article 2 Paragraph 1	Material

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DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
E1-1	Companies excluded from the Paris-coordinated benchmarks	Paragraph 16 Point g		Article 449a Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453, template 1: Investment book – transition risk associated with climate change: Credit quality of exposures by sector, issuance, and remaining term	Delegated Regulation (EU) 2020/1818, Article 12, Paragraph 1 points d to g and Article 12, Paragraph 2		Material
E1-4	GHG emission reduction targets	Paragraph 34	Indicator No. 4 in Annex 1, Table 2	Article 449a Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453, template 3: Investment book – transition risk associated with climate change: Adjustment figures	Delegated Regulation (EU) 2020/1818, Article 6		Material
E1-5	Energy consumption from fossil fuels broken down by source (climate-intensive sectors only)	Paragraph 38	Indicator No. 5 in Annex 1 Table 1 and Indicator No. 5 in Annex 1 Table 2				Material
E1-5	Energy consumption and energy mix	Paragraph 37	Indicator No. 5 in Annex 1, Table 1				Material
E1-5	Energy intensity associated with activities in climate-intensive sectors	Paragraphs 40 to 43	Indicator No. 6 in Annex 1, Table 1				Material
E1-6	Gross GHG emissions in categories Scope 1, 2 and 3 as well as total GHG emissions	Paragraph 44	Indicators No. 1 and 2 in Annex 1, Table 1	Article 449a Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453, template 1: Investment book – transition risk associated with climate change: Credit quality of exposures by sector, issuance, and remaining term	Delegated Regulation (EU) 2020/1818, Article 5 Paragraph (1), Article 6 and Article 8, Paragraph 1		Material
E1-6	Intensity of gross GHG emissions	Paragraphs 53 to 55	Indicator No. 3 Table 1 in Annex 1	Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453, template 3: Investment book – transition risk associated with climate change: Adjustment figures	Delegated Regulation (EU) 2020/1818, Article 8 Paragraph 1		Material
E1-7	Extraction of greenhouse gases and CO ₂ certificates	Paragraph 56				Regulation (EU) 2021/1119, Article 2 Paragraph 1	Material

DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
E1-9	Risk position of the benchmark portfolio against climate-related physical risks	Paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material
E1-9	Breakdown of amounts of money by acute and chronic physical risk	Paragraph 66 Point a		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; template 5: Investment book – Physical risk associated with climate change: Exposures with physical risk			Material
E1-9	Location where Material assets with Material physical risk are located	Paragraph 66 Point c		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; template 5: Investment book – Physical risk associated with climate change: Exposures with physical risk			Material
E1-9	Breakdown of the carrying amount of its properties by energy efficiency class	Paragraph 67 Point c		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Paragraph 34; template 2: Investment book – transition risk associated with climate change: Loans secured by real estate – energy efficiency of collateral			Material
E1-9	Level of portfolio exposure to climate-related opportunities	Paragraph 69			Commission Delegated Regulation (EU) 2020/1818, Annex II		Material
E2							Not material
E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted into air, water, and soil	Paragraph 28	Indicator No. 8 in Annex 1 Table 1 Indicator No. 2 in Annex 1 Table 2 Indicator No. 1 in Annex 1 Table 2 Indicator No. 3 in Annex 1 Table 2				Not material
E3							
E3-1	Water and marine resources	Paragraph 9	Indicator No. 7 in Annex 1, Table 2				Material (in the upstream value chain)

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DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
E3-1	Special concept	Paragraph 13	Indicator No. 8 in Annex 1, Table 2				Material (in the upstream value chain)
E3-1	Sustainable oceans and seas	Paragraph 14	Indicator No. 12 in Annex 1, Table 2				Material (in the upstream value chain)
E3-4	Total amount of recovered and reused water	Paragraph 28 Point c	Indicator No. 6.2 in Annex 1, Table 2				Not material
E3-4	Total water consumption in m3 per net revenue from own activities	Paragraph 29	Indicator No. 6.1 in Annex 1, Table 2				Not material
E4							Material (in the upstream value chain)
SBM-3 – E4		Paragraph 16 Point a (i)	Indicator No. 7 in Annex 1, Table 1				Material
SBM-3 – E4		Paragraph 16, Point b	Indicator No. 10 in Annex 1, Table 2				Material
SBM-3 – E4		paragraph 16 Point c	Indicator No. 14 in Annex 1, Table 2				Material
E4-2	Sustainable practices or concepts in the area of land use and agriculture	Paragraph 24, Point b	Indicator No. 11 in Annex 1, Table 2				Not material
E4-2	Sustainable processes or concepts in the oceans/ seas sector	Paragraph 24 Point c	Indicator No. 12 in Annex 1, Table 2				Not material
E4-2	Strategies to combat deforestation	Paragraph 24 Point d	Indicator No. 15 in Annex 1, Table 2				Not material
E5							
E5-5	Non-recycled waste	Paragraph 37, Point d	Indicator No. 13 in Annex 1, Table 2				Material
E5-5	Hazardous and radioactive waste	Paragraph 39	Indicator No. 9 in Annex 1, Table 1				Material
S1							

DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
SBM-3 – S1	Risk of forced labour	Paragraph 14, Point f	Indicator No 13 in Annex I, Table 3				Material
SBM-3 – S1	Risk of child labour	Paragraph 14, Point g	Indicator No 12 in Annex I, Table 3				Material
S1-1	Commitments in the area of human rights policy	Paragraph 20	Indicator No. 9 in Annex I Table 3 and Indicator No. 11 in Annex I Table 1				Material
S1-1	Due diligence requirements relating to issues addressed in basic conventions 1 to 8 of the International Labour Organization	Paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
S1-1	Processes and actions to combat trafficking in human beings	Paragraph 22	Indicator No. 11 in Annex I, Table 3				Material
S1-1	Concept or management system for preventing accidents at work	Paragraph 23	Indicator No. 1 in Annex I, Table 3				Material
S1-3	Handling complaints	Paragraph 32 Point c	Indicator No. 5 in Annex I, Table 3				Material
S1-14	Number of deaths and number and rate of accidents at work	Paragraph 88 Point b and b	Indicator No. 2 in Annex I, Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
S1-14	Number of days lost due to injuries, accidents, deaths or illnesses	Paragraph 88 Point e	Indicator No. 3 in Annex I, Table 3				Material
S1-16	Unadjusted gender pay gap	Paragraph 97 Point a	Indicator No 12 in Annex I, Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material

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DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
S1-16	Excessive remuneration of members of management bodies	Paragraph 97, Point b	Indicator No. 8 in Annex I, Table 3				Material
S1-17	Cases of discrimination	Paragraph 103 Point a	Indicator No. 7 in Annex I, Table 3				Material
S1-17	Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	Paragraph 104 Point a	Indicator No 10 in Annex I Table 1 and Indicator No 14 in Annex I Table 3		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 Paragraph 1		Material
S2							Material
SBM-3 – S2	Material risk of child labour or forced labour in the value chain	Paragraph 11, Point b	Indicators Nos. 12 and 13 in Annex I Table 3				Material
S2-1	Commitments in the area of human rights policy	Paragraph 17	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				Material
S2-1	Concepts related to workers in the value chain	Paragraph 18	Indicators No. 11 and 4 in Annex 1, Table 3				Material
S2-1	Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	Paragraph 19	Indicator No. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 Paragraph 1		Material
S2-1	Due diligence requirements relating to issues addressed in basic conventions 1 to 8 of the International Labour Organization	Paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
S2-4	Issues and incidents related to human rights within the upstream and downstream value chains	Paragraph 36	Indicator No. 14 in Annex 1, Table 3				Material

DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
S3							Not material
S3-1	Commitments in the area of human rights	Paragraph 16	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				Not material
S3-1	Failure to comply with the United Nations Guiding Principles on Business and Human Rights, the ILO Principles, or the OECD Guidelines	Paragraph 17	Indicator No. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 Paragraph 1		Not material
S3-4	Human rights issues and incidents	Paragraph 36	Indicator No. 14 in Annex 1, Table 3				Not material
S4							Not material
S4-1	Concepts related to consumers and end users	Paragraph 16	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				Not material
S4-1	Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	Paragraph 17	Indicator No. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 Paragraph 1		Not material
S4-4	Human rights issues and incidents	Paragraph 35	Indicator No. 14 in Annex 1, Table 3				Not material
G1							Material
G1-1	United Nations Convention against Corruption	Paragraph 10, Point b	Indicator No. 15 in Annex 1, Table 3				Material

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DISCLOSURE REQUIREMENT	DATA POINT	PARAGRAPH	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK RANKING REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY
G1-1	Protection of whistleblowers	Paragraph 10 Point d	Indicator No. 6 in Annex 1, Table 3				Material
G1-4	Fines for violations of anti-corruption and bribery regulations	Paragraph 24, Point a	Indicator No. 17 in Annex 1, Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material
G1-4	Standards to combat corruption and bribery	Paragraph 24, Point b	Indicator No. 16 in Annex 1, Table 3				Material

List of key actions carried out in the reporting year and planned for the future: is not yet available for 2024.

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INDEPENDENT ASSURANCE REPORT NON-FINANCIAL REPORT

Independent assurance report on the non-financial reporting pursuant to Section 267a UGB

We have performed a limited assurance engagement in the connection with the consolidated non-financial reporting pursuant to Section 267a UGB (hereafter „non-financial reporting“) for the financial year 2024 of the

Kontron AG, Linz (hereinafter also referred to as „Kontron AG“ or „Company“).

Conclusion with limited assurance

Based on our procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial reporting pursuant to Section 267a UGB (hereafter „non-financial reporting“) is not prepared, in all material respects, in compliance with:

- › the statutory provisions of the Austrian Sustainability and Diversity Improvement Act (Section 267a of the Austrian Commercial Code (UGB)),
- › the reporting requirements according to Article 8 of the EU Regulation 2020/852 (hereinafter referred to as „EU-Taxonomy-Regulation“),
- › the requirements of the delegated regulation (EU) 2023/2772 (hereinafter referred to as „ESRS“), and
- › the process carried out by the company to identify the information to be included in the consolidated non-financial reporting in accordance with the legal requirements and standards for non-financial reporting (hereinafter referred to as „double materiality assessment process“); with the description set out in disclosure IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

in the currently valid version.

Basis for conclusion with limited assurance

Our limited assurance engagement on the non-financial reporting was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements and additional expert opinions as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised) applicable to such engagements. An independent assurance engagement with the purpose of expressing a conclusion with limited assurance („limited assurance engagement“) is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance („reasonable assurance engagement“), thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the „Responsibility of the auditor of the consolidated non-financial reporting“ section of our assurance report.

We are independent of the Group in accordance with the Austrian professional regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

Other matters

We draw attention to the fact that the company's consolidated non-financial reporting for the fiscal year ending December 31, 2023 has not been audited by us or by any other auditor.

Other information

Management is responsible for the other information. The other information comprises all information included in the annual financial report but does not include non-financial reporting and our independent assurance report.

Our conclusion on the non-financial reporting does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the non-financial reporting, our responsibility is to read the other information when available and, in doing so, consider whether the other information is materially inconsistent with the non-financial reporting or our knowledge obtained in the limited assurance engagement or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibility of the management

Die gesetzlichen Vertreter sind für die Aufstellung einer nichtfinanziellen Berichterstattung einschließlich der Entwicklung und Durchführung des Verfahrens zur Wesentlichkeitsanalyse gemäß den geltenden Anforderungen und Standards verantwortlich. Diese Verantwortlichkeit umfasst

- › identification of the actual and potential impacts, as well as the risks and opportunities associated with sustainability aspects and assessing the materiality of these impacts, risks and opportunities,
- › preparing of a non-financial reporting in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act pursuant to section 267a UGB, including compliance with the ESRS,
- › inclusion of disclosures in the [consolidated] non-financial reporting in accordance with the EU-Taxonomy-Regulation, and
- › designing, implementing and maintaining of internal controls that management consider relevant to enable the preparation of sustainability report that is free from material misstatement, whether due to fraud or error; and to enable the double materiality assessment process to be carried out in accordance with the requirements of the ESRS.

This responsibility includes also the selection and application of appropriate methods for non-financial reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

Inherent limitations in the preparation of non-financial reporting

When reporting forward-looking information, the company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the company. Actual results are likely to differ as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU-Taxonomy-Regulation, the management is obliged to interpret undefined legal terms. Undefined legal terms can be interpreted differently, also regarding the legal conformity of their interpretation and are therefore subject to uncertainties.

Responsibility of the auditor of the consolidated non-financial reporting

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the non-financial reporting, including the procedures performed to determine the information to be reported and the reporting in accordance with the EU-Taxonomy, is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on this non-financial reporting.

In a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the assurance engagement.

Our responsibilities include

- › performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Group's internal controls;

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- › design and perform assurance procedures responsive to disclosures in the non-financial reporting, where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Procedures - Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the non-financial reporting.

Our engagement does not include the assurance of prior period figures, printed interviews or other additional voluntary information of the company, including references to websites or other additional reporting formats of the company.

The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the non-financial reporting, whether due to fraud or error.

In conducting our limited assurance engagement on the non-financial reporting, we proceed as follows:

Wir gewinnen ein Verständnis von den Verfahren der Gesellschaft, die für die Aufstellung der nichtfinanziellen Berichterstattung relevant sind.

- › We obtain an understanding of the company's processes relevant to the preparation of non-financial reporting.
- › We assess whether all relevant information identified by the double materiality assessment process carried out by the company has been included in the non-financial reporting.
- › We evaluate whether the structure and presentation of the non-financial reporting is in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act as of section 267a UGB, including the ESRS.
- › We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the non-financial reporting.
- › We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the non-financial reporting.
- › We reconcile selected disclosures in the non-financial reporting with the corresponding disclosures in the consolidated financial statements and Group management report.
- › We obtain evidence on the methods for developing estimates and forward-looking information.
- › We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in non-financial reporting.

Limitation of liability, publication and terms of engagement

This limited assurance engagement is a voluntary assurance engagement. We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the "General Conditions of Contract for the Public Accounting Professions" issued by the Chamber of Tax Advisors and Auditors. These can be viewed online on the website of the Chamber of Tax Advisors and Auditors (currently at <https://ksw.or.at/berufsrecht/mandatsverhaeltnis/>). With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies.

Our assurance report may only be distributed to third parties together with the consolidated non-financial reporting and only in complete and unabridged form. Because our report is prepared solely on behalf of and for the benefit of the company, its contents may not be relied upon by any other third party, and consequently, we shall not be liable for any other third party claims.

Auditor responsible for the assurance engagement

The auditor responsible for the assurance engagement of the non-financial reporting is Mag. Yann Georg Hansa.

Vienna, March 26, 2025

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Yann Georg Hansa

Wirtschaftsprüfer