



PROACTIVE

FROM WITHIN

Non-financial report

2025 fiscal year

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Introduction

Even in times when the issue of sustainability is taking a back seat at the political level, sustainable action remains an integral part of our business model. This approach enables us to make a significant contribution to the sustainable development of our company, as well as our environment. At PWO, we do not see economic and ecological goals as contradictory, but rather as complementary.

This belief forms the base of our sustainability strategy, in which we have already set ourselves long-term, ambitious goals in 2024. By 2028, we will have completely switched our power supply to renewable energy sources and by 2039, we will have achieved CO₂ neutrality for our entire production. The driving force behind this is our company's innovative strength, which enables us to successfully shape the transformation of mobility, both technologically and ecologically.

We develop advanced solutions for tomorrow in collaboration with our employees, customers and suppliers, but also in partnership with scientific institutions. We maintain open dialog with all our stakeholders on equal terms. We consider their needs in our planning and decision-making. With our employees at all locations, we create a value-based management culture and a stable way of life. This foundation supports fair and safe working conditions, which we also enforce in our supply chain. At PWO, people are at the heart of everything we do.

This approach is reflected in the 3 core elements of our group-wide mission statement, which is binding for all our sites and staff: People. Planet. Progress. These 3 elements do not exist in isolation, but must be considered in terms of how they interact

and depend on each other. For us, this means achieving economic success by shaping progress in a way that benefits people and our planet.

About this report

Ensuring transparency about the approaches, strategies and measures we take and the results they bring about is one of the key elements of our corporate responsibility, which we fulfill with this report. At the same time, we are complying with the legal obligations arising for PWO AG and the PWO Group (hereinafter also referred to as "PWO," "PWO Group," or "Group"), which comprises PWO AG and its 6 operating subsidiaries, under the CSR Guidelines Implementation Act (CSR-RUG). This Act stipulates that significant non-financial aspects of business activities must be disclosed in addition to financial reporting.

For our Group, the most important aspects are environmental and employee issues, as well as respect for human rights and the fight against corruption. We provide the relevant information in this consolidated non-financial report in accordance with sections 315b and 315c in conjunction with sections 289b to 289e of the German Commercial Code (HGB).

In preparing this report, we have also voluntarily aligned ourselves with the requirements of the Corporate Sustainability Reporting Directive (EU 2022/2464) (CSRD for short) and the associated European Sustainability Reporting Standards. In anticipation of the CSRD being transposed into national law in 2025, PWO made extensive preparations to produce a corresponding sustainability report. Although German legislature has once again failed to implement this directive, and therefore there is no corresponding legal basis, this report is geared toward the CSRD. In this way, we are demonstrating our willingness to comply with the requirements after possible implementation and to provide our stakeholders with comprehensive information on topics that are important to us.

Accordingly, we report on our sustainability policies, goals and measures at the PWO AG site in Oberkirch, Germany, as well as at the Group's foreign sites: China (comprising PWO HighTech Metal Components Co., Ltd., Suzhou, with 2 locations), Canada (comprising PWO Canada Inc., Kitchener, with 1 location), Mexico (comprising PWO de México S.A. de C.V., Puebla, with 2 locations), the Czech Republic (comprising PWO Czech Republic a.s., Valašské Meziříčí, with 2 locations), Serbia (comprising PWO SEE d.o.o. Čačak, with 2 locations) and the USA (comprising PWO USA Inc., Lebanon, Tennessee, with 1 location).

Unless otherwise stated, the information in the separate non-financial report applies to the entire Group. It covers the fiscal year 2025 and has been reviewed by the Supervisory Board for legality, regularity and appropriateness.

In accordance with Article 8 of the EU Taxonomy Regulation, in this non-financial report we disclose the proportion of Taxonomy-eligible and Taxonomy-aligned economic activities already included in the Taxonomy in terms of turnover, capital expenditure (CapEx) and operating expenses (OpEx) with regard to the environmental objectives of "climate change mitigation," "climate change adaptation," "sustainable use and protection of water and marine resources," "transition to circular economy," "pollution prevention and control" and "protection and restoration of biodiversity and ecosystems."

Business model

PWO is one of the world's leading developers and manufacturers of technologically sophisticated metal components and systems in climate-friendly lightweight construction. Our products are used primarily in the international mobility industry, but also in other sectors where our expertise in metal forming and joining technologies creates sustainable added value.

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With our business model, which is completely independent of combustion engines, we are benefiting from the growing demand for electric and hybrid vehicles and supporting the ongoing electrification process. This focus not only strengthens our long-term competitiveness, but also makes a measurable contribution to sustainable mobility.

By reducing carbon emissions, we are consistently meeting the requirements of our customers, who expect their suppliers to take far-reaching measures as part of their own efforts to reduce emissions in their value chain, both in terms of manufacturing and the products themselves. This is because lightweight solutions contribute significantly to improving the environmental performance of vehicles by reducing resource consumption in manufacturing and operation and reducing carbon emissions throughout the entire life cycle. Around 90% of the raw materials we process are steel, a fully recyclable material that can be reused at the end of a vehicle's life cycle.

Through these measures, PWO promotes the sustainable design of supply chains, the efficient use of resources and the reduction of emissions, thereby actively contributing to the achievement of global climate targets.

For further information on our business model and its sustainable orientation, please refer to the section "PWO Group principles" subsection "Business Model," in the combined management report for PWO AG for the 2025 fiscal year.

Sustainability organization

PWO's sustainability organization is characterized by clearly defined roles and responsibilities, as well as by sustainable structures and processes. In line with our holistic approach, we consider sustainability to be a cross-functional task that permeates all areas of our company. This also applies to our institutionalized dialog with subsidiaries, as we want to promote the exchange of experiences and mutual learning.

Good corporate governance forms the foundation of our sustainability organization. It ensures qualified, transparent management geared toward long-term success, to which our Executive Board and Supervisory Board are fully committed for the benefit of our external and internal stakeholders. The recommendations of the German Corporate Governance Code are therefore complied with, with a few justified exceptions. We report on this annually in our corporate governance statement, which is published on the PWO website at → www.pwo-group.com/en/pwo-group/corporate-governance.

The highest level of governance for all sustainability issues lies with our Executive Board. ESG management falls explicitly within the remit of the CFO, who is also responsible for legal and compliance issues and risk management. This institutionalizes the systematic monitoring of opportunities and risks, as well as the impact of our actions, at the Executive Board level. The CFO, in consultation with the Senior Manager Group ESG, sets our strategic sustainability goals and the associated non-financial key performance indicators, monitoring their achievement on the basis of reports provided by the Senior Manager Group ESG, who informs the CFO at a weekly meeting.

The sustainability strategy is defined by the full Executive Board and reviewed for its future viability. The Executive Board regularly informs the Supervisory Board about all sustainability issues of strategic importance. If necessary, relevant experts from our company, in particular the Senior Manager Group ESG, are consulted for these meetings. In accordance with its responsibilities, the Supervisory Board monitors all decisions relating to the sustainability strategy and the progress of its implementation.

In addition, the Supervisory Board also monitors non-financial reporting and the adequacy and effectiveness of the internal control system and risk management system, internal auditing, compliance and the compliance management system.

The strong organizational anchoring of sustainability at PWO is also reflected in the fact that the achievement of sustainability goals is an integral part of our remuneration and incentive systems. It is of central importance to us that our remuneration systems reflect our company's sustainability goals. For this reason, sustainability-related indicators – particularly with regard to our carbon reduction targets – are an integral part of the variable remuneration for the Executive Board determined by the Supervisory Board, thereby creating incentives for sustainability-oriented action.

For a description of the sustainability-related targets and performance parameters included in the remuneration of the Executive Board as performance benchmarks, as well as the proportions of variable remuneration dependent on sustainability-related targets, please refer to our remuneration report.

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Stakeholder dialog

Our established sustainability management structures and processes also include open and institutionalized dialog with our stakeholders. As a responsible and forward-looking company, we maintain open and honest communication with our stakeholders.

It enables us to learn more about their concerns and better respond to their expectations. This, in turn, gives us the opportunity to continuously improve. We are aware that we can only achieve our goals if our customers are convinced of the quality of our products, if we enjoy the trust of our shareholders, financial partners and suppliers, if we offer our employees good working conditions and development opportunities, and if we are valued as a responsible corporate citizen at our locations in Germany and abroad.

We use a variety of formats to interact with our stakeholders in order to take account of their diversity. Our forms of engagement range from bilateral discussions and responding to inquiries to multi-stakeholder consultations and association discussions.

We have also incorporated the interests of stakeholder groups into the development of our sustainability strategy. To this end, we carried out a detailed process to identify and assess stakeholders as part of our materiality analysis and systematically took their concerns into account when determining material topics.

Sustainability strategy

Our sustainability strategy defines the overall direction of all our sustainability activities. It therefore encompasses all sustainability goals of strategic importance as well as the instruments and measures used to achieve them. The strategy is prepared by the Senior Manager Group ESG in collaboration with sustainability officers and subject matter experts from various departments and subsidiaries. Once it has been approved, including by the

Supervisory Board, it is adopted by the Executive Board, which is then regularly informed by the Senior Manager Group ESG about the effectiveness of the measures, parameters and targets that have been decided upon.

Our sustainability strategy is based on embedding environmental and social responsibility into our business activities. This is closely aligned with our mission statement, “Business as a Force for Good” and aims to avoid or reduce the negative impacts of our business activities while making positive contributions to the protection of natural resources and social development – for the benefit of future generations.

As a member of the UN Global Compact, which we joined in 2022, we are committed to complying with its 10 principles in the areas of human rights, labor standards, the environment and anti-corruption, and we are contributing to the transition toward a sustainable and inclusive economy. In doing so, we focus on the areas in which we can exert the greatest influence and achieve a substantial impact based on our business activities, our value chains, and our resources and expertise.

In fiscal year 2024, we conducted a comprehensive materiality analysis in accordance with CSRD requirements as part of our strategic sustainability management. Based on the principle of double materiality, the material actual and potential impacts, risks and opportunities (IROs) relating to environmental, social and governance issues were identified, assessed and prioritized. The results formed the basis for the further development of our sustainability strategy, the definition of targets and measures and future reporting.

In order to integrate new findings and evaluations, we updated our materiality analysis in the 2025 reporting year while retaining the process steps carried out in the previous year to ensure the methodological consistency of our approach.

MATERIAL TOPICS FOR PWO

The PWO Group has implemented a step-by-step materiality analysis process based on various methods and a systematic assessment model. We have also incorporated the perspectives of selected stakeholders in order to strengthen the identification and assessment of impacts in particular. As impact materiality and financial materiality can be closely related, possible interactions were part of the analysis.

The first step in the process was a systematic analysis of the company context, which included mapping the activities, products and services of the PWO Group and its upstream and downstream value chain. This mapping included relevant foreign subsidiaries and the legal and regulatory framework associated with their locations

When identifying potential material topics, we analyzed the topics listed in ESRS 1 as a basis for sector-independent topics, as well as topics arising from the World Economic Forum Global Risks Report and the Global Reporting Initiative standards. We supplemented these with sector-specific topics based on the Sustainability Accounting Standards Board.

The topics identified in this way were reviewed by an internal working group with the support of external experts to determine their potential materiality for the PWO Group. If no significant impacts, risks or opportunities relating to the business model, value creation or strategy were identified, the topic was removed from the list. This approach was justified on a topic-by-topic basis.

At the end of this process step, we had a list of 30 potential key issues. We examined these in more detail using a heat map analysis along our entire value chain in order to gain a better understanding of the associated impacts, risks and opportunities. The analysis itself covered our entire value chain, which is why we examined the upstream production of raw materials by indirect

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suppliers, purchasing from direct suppliers and transportation. Within the scope of our own operational activities, we looked at the actual manufacturing processes and administration. With regard to downstream value creation, distribution and disposal or recycling were included in our analysis.

Also linked to the goal of broadening and deepening our understanding of the positive and negative effects of our business model and value creation was the consideration of the perspectives of various stakeholders in the materiality process. In order to identify their concerns, a total of 11 internal experts from various divisions of PWO who have direct contact with the respective stakeholders were interviewed. Thanks to their experience and regular communication with the individual stakeholder groups, they were able to assess their concerns and interests. The internal experts were involved as representatives of the various stakeholder groups in several discussions, and the results were documented so that they could be integrated into the assessment carried out by the PWO Group.

Both the effects (“inside-out view”) and the opportunities and risks (“outside-in view”) were assessed as part of a mathematically predefined process with regard to specified criteria and taking into account different time horizons (short, medium and long-term). The assessment itself was carried out on the basis of the evaluations of internal experts.

With regard to impact materiality, a distinction was made between positive and negative impacts, as well as between actual and potential impacts. Actual negative impacts were assessed in terms of severity, consisting of the sub-criteria “extent,” “scope” and “irreversibility of impacts.” Potential negative impacts were assessed taking into account their probability of occurrence. The assessment for positive impacts was identical. However, the subcriterion of irreversibility of the impacts was not included here.

The assessment of opportunities and risks in terms of their impact on our Group’s business performance, business model and future viability (“financial materiality”) was based on their magnitude and probability of occurrence. The same scales were applied as for the impacts in order to ensure consistency in our approach. This approach is also consistent with our opportunity and risk management, ensuring alignment with our company’s overall risk management process.

With the aim of monitoring the significance of our materiality analysis on an annual basis and updating it as necessary, we conducted a review and re-evaluation in fiscal year 2025, which led to an adjustment due to changed internal and external conditions.

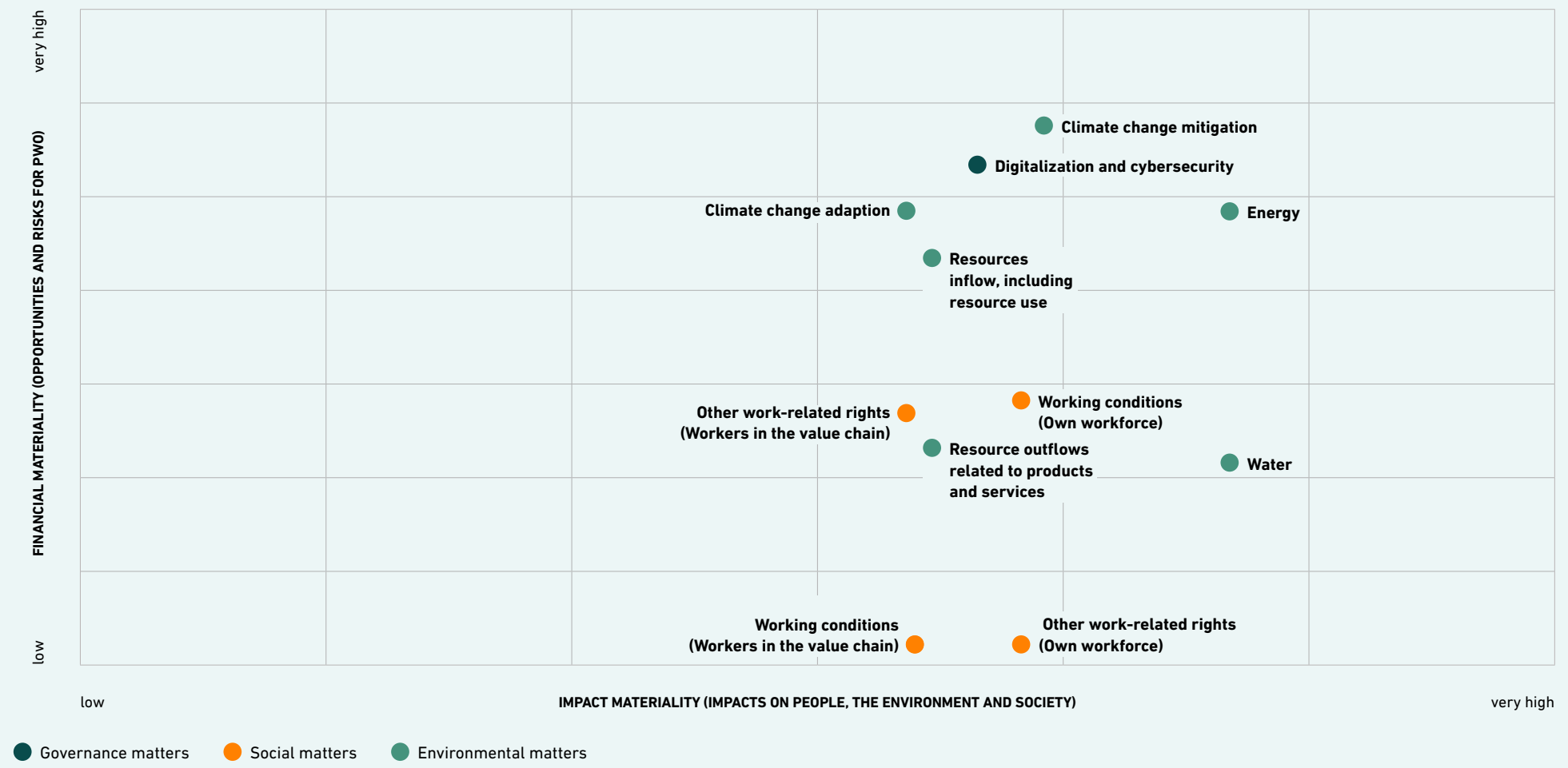
Based on our approach, we have identified a total of 11 material topics for PWO, of which 6 relate to the area of “Environment,” 4 to the area of “Social” and 1 to the area of “Governance.” For greater clarity, we have presented these in a materiality matrix.

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PWO materiality matrix



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STRATEGIC PRIORITIES

Based on the materiality analysis, we at PWO have determined the focal points of our sustainability strategy. This enables us to address in particular those issues that are most relevant to us in terms of securing the future viability of our company and that also enable us to make a comprehensive contribution to sustainable development.

In the area of the environment, reducing emissions is a key focus of our sustainability strategy due to our powertrain agnostic and sustainable business model. Through systematic energy management – in particular through the increased use of renewable energies and continuous efficiency improvements – we are making a measurable contribution to climate change mitigation. At the same time, adapting to climate change is of great importance to us, as we want to ensure our production processes and delivery capabilities in the interests of our customers and protect them against extreme weather events. Furthermore, reducing the use of natural resources is of great strategic importance to PWO. We leverage our technological and organizational innovation capabilities to develop sustainable and future-oriented circular economy concepts together with partners along the value chain. We explain the relevant topics in more detail in the following chapter in the section “Environmental matters.”

In the area of social affairs, fair, safe and healthy working conditions are of central importance for PWO. This applies both to our employees in Germany and abroad and to workers within the supply chain. As a company with extensive production processes, occupational health and safety plays a particularly important role, which we also actively promote in the upstream value chain. The relevant content is presented in the sections “Employee matters” and “Respecting and promoting human rights.”

In the area of governance, “digitalization and information security” is of high strategic relevance for PWO in order to sustainably strengthen efficiency, transparency and quality along our entire value chain. As a research-oriented company, digital solutions support us in the development of innovative products and business models, but also in the data-based control of production and business processes. We also see this as inextricably linked to our social responsibility in the digital space. In line with this corporate digital responsibility, the protection of our stakeholders’ personal and business data, as well as our own business data, is of great importance. We report on this in the section “Integrity and compliance.”

Notes on non-financial matters

Our due diligence procedures form the basis for our materiality analysis and the associated identification, assessment and prioritization of the impacts, risks and opportunities that are material to PWO. In order to identify non-financial factors and the potential hazards and risks they pose, to systematically incorporate them into decisions and, if necessary, to take the necessary control measures, they are integrated into the Group-wide risk management system (RMS).

Accordingly, the impacts, risks and opportunities identified as material have also been incorporated into the assessment of our business model and strategic goals in order to review their viability and feasibility. In the reporting year, the material impacts, risks and opportunities, as well as the associated measures, did not result in any changes to the business model or the overall corporate strategy. We have made changes to our strategic emission reduction targets, which we have formulated even more ambitiously based on our performance to date.

No serious risks were identified in the reporting year. Furthermore, we do not foresee any likely negative effects on one or more non-financial aspects that would significantly impair the course of business. On this basis, PWO assumes that no adjustments to reported assets and liabilities will be necessary in the following reporting year either. Furthermore, there are no indications that would necessitate an adjustment.

For further information on our Group-wide RMS and relevant risks, please refer to the “Opportunities and risks” section in the combined management report for PWO AG.

ENVIRONMENTAL MATTERS

Protecting the environment and using energy responsibly are fundamental guiding principles for PWO and an integral part of our corporate culture. Combating climate change, adapting to its consequences and managing resources sustainably are of central importance in this context.

At all our locations, we comply fully with the applicable legal and regulatory provisions. In addition, environmental protection is enshrined in our Code of Conduct as an overriding guideline for all employees of the PWO Group. We actively encourage them to contribute to environmental protection and the economical use of resources, and to proactively seek improvements and new solutions.

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We supplement our Code of Conduct with specific guidelines and procedural instructions in various areas. Accordingly, we have implemented a binding environmental protection policy that covers all environmental issues relevant to us. When identifying these areas, we take particular account of the requirements of potential and existing customers in order to leverage opportunities for customer acquisition and retention.

The policy was adopted by the Executive Board after consultation with the Supervisory Board and applies to our entire Group. Operational responsibility for its implementation lies with the Senior Manager Group ESG, who regularly communicates with the responsible individuals at each location. The policy is available to all employees on the intranet. It expresses our conviction that transparency, cooperation and continuous improvement are key factors in our decisions and actions. In this sense, it also includes specific and updatable goals for climate and environmental protection. This results in a close overlap with our environmental strategies, for which we use analyses to develop specific, time-bound goals and corresponding measures to contribute effectively to climate and environmental protection, while also taking economic aspects into account.

Various management systems support us in preparing and implementing our strategy, on the basis of which we have also established comprehensive documentation, reporting and control structures. All our locations are certified according to DIN ISO 14001:2015. Our site in Oberkirch is also certified according to DIN ISO 50001:2018, which underscores our goal of integrating environmental and energy management systems.

The goal of managing environmental and energy aspects in close coordination with each other is also attributable to the key environmental issues we have identified: climate change mitigation

and energy management, climate change adaptation, water and resource inflows and outflows. Here, too, it is our intention to take interactions into account accordingly and to harness any synergies that arise.

Climate change mitigation and energy management

Climate protection (climate change mitigation) and energy management are key environmental issues for PWO, which we view as closely interlinked and therefore present them together in this report. We believe that effective energy management makes an important contribution to climate protection. Reducing energy consumption and increasing the use of renewable energies are decisive levers for PWO. They also enable us to reduce our energy dependence and pursue a self-sufficient energy supply.

MATERIALITY

In terms of both their impact materiality and business relevance, climate protection and energy management are among the most important issues for PWO.

The increasing growth of electromobility on a global scale, driven by decarbonization, presents significant opportunities for PWO based on its powertrain agnostic and sustainable business model. The International Energy Agency estimates that approximately 20 million electric vehicles will be sold worldwide in 2025, representing an increase of 25% over the previous year.

PWO's strategic focus on lightweight construction not only offers financial opportunities, but also contributes both directly and indirectly to climate protection, as it requires less material than conventional construction methods and thus leads to lower manufacturing-related GHG emissions, including in the upstream value chain.

Despite its clear strategic focus, the efficiency improvements it has achieved and the ongoing expansion of renewable energies, which is increasing our energy independence, PWO continues to rely on fossil fuels to a certain extent as a result of its industrial production processes and contributes to climate change through the carbon emissions it generates. Significant emissions are also generated along PWO's value chain. Against this backdrop, we work closely with customers and suppliers to promote the use of raw materials that have a better carbon footprint than conventional materials.

POLICIES AND ACTIONS

With our commitment to the Science Based Targets initiative (SBTi), we have already set a clear framework for our climate strategy in 2022. Accordingly, our goal is to reduce absolute greenhouse gas emissions from our own business activities (Scopes 1 and 2) by 46.2% and emissions from the value chain (Scope 3) by 28.0% by 2030 compared to the base year 2019.

Thanks to the comprehensive electrification of our processes, the consistent expansion of green electricity use, continuous improvements in energy efficiency and the stringent implementation of energy-saving measures, we were able to exceed the targets set for Scopes 1 and 2 as early as 2023.

However, this success is no reason for us to reduce our efforts. Rather, we see it as an incentive to continue our efforts. For this reason, we have already set ourselves long-term goals in 2024 that build on this success. They set our overarching net-zero target – i.e., achieving a balance between greenhouse gas emissions and removals from the atmosphere – in all 3 scopes by 2045 and include a climate protection transition plan that has been approved by the Supervisory Board and Executive Board.

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We want to achieve this net-zero target in our production (Scopes 1 and 2) by 2039 and contribute to stabilizing global warming by further expanding green technologies. 2039 is also an important strategic target date for us in that we want to provide our customers with CO₂e-neutral product solutions by then. We see this as an important step in supporting our customers in their climate protection efforts and thereby further increasing our competitive appeal.

A key milestone on this journey is the complete supply of all PWO sites with green electricity by 2028. We already purchase exclusively green electricity at most of our sites, which enables us to expand our business activities in this growth market without increasing electricity-related GHG emissions.

We also consistently pursued our decarbonization strategy in the planning and construction of our new engineering and production site in Čačak, Serbia. Only heat pumps powered by green electricity were installed here. Intelligent machine placement and heat recovery also contribute to maximizing energy efficiency. The building structure, in turn, was designed with demand-oriented hall heights, high-quality thermal insulation and a roof construction prepared for a PV system so that the carbon footprint will be as low as possible.

Beyond our location in Serbia, the expansion of renewable energies for the entire PWO Group is a strategic objective aimed at reducing emissions while simultaneously increasing energy self-sufficiency. We envisage measures such as the continuous expansion of our own photovoltaic systems and the use of contracting models.

In addition to switching to renewable energy sources, increasing energy efficiency is a key lever in our climate strategy. Targeted efficiency measures are being implemented to systematically

reduce absolute energy consumption at our own facilities. A prime example of this is our site in Canada, where the use of oils and other metalworking process fluids has been continuously optimized. As a result, the washing process for manufactured components can increasingly be eliminated and the natural gas-powered parts washing system can often be taken out of service completely, leading to a significant reduction in natural gas consumption and associated greenhouse gas emissions.

When procuring property, plant and equipment, consistent attention is paid to energy efficiency and emissions-related performance. In addition, leasing industrial equipment helps to avoid long-term technological commitments and associated emission-intensive investment decisions. This limits potential “locked-in emissions” in fixed assets. Accordingly, emissions from capital expenditure on capital goods at PWO are low.

OUTCOMES AND METRICS

Thanks to established processes and suitable tools, we are able to reliably record and analyze energy consumption as part of our DIN ISO 14001:2015-certified environmental management system. Energy consumption and the resulting greenhouse gas emissions from our own production are determined on a site-specific basis and in accordance with the requirements of the Greenhouse Gas Protocol (GHG).

To strengthen our processes, we improved the existing process for recording our energy consumption and the associated Scope 1 and Scope 2 emissions as part of our ESG reporting in the reporting year, defining it more precisely in parts and documenting it comprehensively. It provides for quarterly recording, specifies the necessary data flow, and regulates the corresponding responsibilities along the process chain. This process is integrated into the “PWO Process House,” within which we also define other core ESG indicators for PWO.

Based on the data collected, reduction potential in relation to the main sources of emissions is systematically analyzed. The resulting continuous improvement process is firmly anchored in our management system and takes into account experience gained across all sites as well as best practices. In this way, we facilitate Group-wide dialog and support the evaluation and implementation of appropriate measures.

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PWO Group metrics for CO₂e emissions

	2025	2024	Base year 2019
Total Scope 1 & 2 CO₂e emissions (net, market-based)	5,088	6,287	19,222
Gross Scope 1 GHG emissions (t CO ₂ e)	4,632	4,870	7,467
Gross market-based Scope 2 GHG emissions (t CO ₂ e)	456	1,417	11,755
Gross location-based Scope 2 GHG emissions (t CO ₂ e)	13,970	13,631*	13,329*
Total gross indirect (Scope 3) GHG emissions (t CO₂e)	287,646	292,875**	305,087
1 Purchased goods and services	226,843	231,594	244,983
2 Capital goods	20,562	24,957	12,303
3 Fuel and energy-related activities	5,912	5,585	4,113
4 Upstream transportation and distribution	12,425	9,547	10,027
5 Waste generated in operations	74	77	92
6 Business travel	873	920	994
7 Employee commuting	1,920	1,887**	2,113
8 Upstream leased assets	–	–	–
9 Downstream transportation and distribution	18,661	17,753	28,636
10 Processing of sold products	–	–	–
11 Use of sold products	–	–	–
12 End-of-life treatment of sold products	376	555	1,826
13 Downstream leased assets	–	–	–
14 Franchises	–	–	–
15 Investments	–	–	–

* In the previous year, our report disclosed the total site-related gross GHG emissions from Scopes 1 and 2 for the years 2019 and 2024. To improve comparability over time, this year we are only disclosing the gross location-based Scope 2 GHG emissions for historical values.

** Previous year's figure adjusted

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During the reporting period, the implementation of CO₂e reduction measures was consistently pursued. With emissions of 5,088 t CO₂e, an absolute reduction of 74% compared to the base year 2019 has already been achieved at Group level. The ongoing

switch to electricity from renewable sources at our sites made a significant contribution to this development. The green electricity quota in the PWO Group was already 84% in the reporting year.

PWO Group energy consumption and energy mix

kWh	2025	2024	Base year 2019
Energy self-produced on site	1,476,684	187,315	
Purchased energy	34,988,678	34,147,126	33,163,749
District heating and steam	459,900	310,300	–
Natural gas/propane gas	18,064,334	19,989,413	31,292,293
Use of fuels in production (oil, diesel, gasoline)	14,311	8,739	11,570
Coal	–	–	–
Other renewable energy sources	–	–	–
Fleet consumption	996,282	983,039	1,864,747
Total energy consumption	56,000,189	55,625,932	66,332,359

Climate change adaptation

At PWO, we are aware that not only are extensive measures needed to combat climate change, but also a systematic approach to adapting to its consequences. When assessing these, we take into account both physical and transition climate risks.

Physical climate risks arise from the direct and indirect effects of climate change on a company’s assets, operations and value chain. They include both acute risks resulting from extreme weather events (e.g., storms, floods, heat waves) and chronic risks from long-term climate change (e.g., rising average temperatures, changing precipitation patterns or water scarcity).

Transition climate risks arise in the course of the transition to a decarbonized economy. They result in particular from regulatory changes, technological developments, market changes and changing expectations of customers, investors and other stakeholders, and can have an impact on business models, cost structures, competitiveness and assets.

MATERIALITY

In order to identify the physical and transition climate risks that are material to us and, if necessary, derive appropriate measures, we conducted a comprehensive climate risk analysis in 2024 and 2025. It covered all locations in Germany and abroad with the exception of our Serbian site, which had not yet gone into operation at the time of the analysis.

In order to include as wide a range of potential climate developments as possible in our analysis, we considered the 3 SSP scenarios (Shared Socioeconomic Pathways) developed by the Intergovernmental Panel on Climate Change (IPCC) – SSP1, SSP3 and SSP5 – covering the period up to 2050. These scenarios can be characterized as follows:

- SSP1 scenario: Also known as the “sustainability path” or “going green,” this scenario describes a world that is increasingly focused on sustainability. In this scenario, global common goods are preserved and natural limits are respected. The focus is more on human well-being than on economic growth.

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SSP3 scenario: Also known as the “path of regional rivalries” or “fragmented world,” the SSP3 scenario describes a world characterized by highly regionalized political and economic interests. International cooperation is limited and climate protection is a low priority, as countries focus primarily on securing national interests and promoting current economic growth.

SSP5 scenario: Also known as the “path of unchecked growth” or “fossil-fueled development,” the SSP5 scenario describes a world that is heavily focused on economic growth and the use of fossil fuels. Technological progress and a rapidly growing economy are at the forefront, while climate protection plays a secondary role.

The procedure for conducting the analysis was designed and formalized with the help of 2 specialized consulting firms. The procedure comprised the following process steps:

1. The first step consisted of a relevance analysis, in which we analyzed a total of 28 physical and 15 transition-related influencing factors and evaluated them according to their relevance. This enabled us to prioritize key focus areas, taking into account our value chain. Transition climate risks and opportunities were identified and assessed along 4 risk dimensions (technology, market, regulation and reputation), with the assessment based on current economic trends, evolving regulatory frameworks, available data sources and expert opinions and assessments.

2. Influencing factors that proved to be relevant were then qualitatively assessed in terms of probability of occurrence and extent of damage, taking into account the 3 selected climate scenarios. This enabled us to further consolidate the relevant topics.

3. We examined the remaining influencing factors in a chain of effects analysis in order to better classify the effects in relation to individual value-added components.

As a result, there are both physical and transition effects on PWO, depending on the scenarios considered. The physical risks vary depending on the respective location. Transition opportunities and risks, on the other hand, can be considered to be predominantly cross-location, as the business models between the individual companies in the Group are almost identical. The decisive factor here is that the subsidiary locations work with the same technologies, have a comparable value chain and are supported by PWO AG in a forward-looking manner.

POLICIES AND ACTIONS

The opportunities arising for PWO are primarily technological in nature and result from the green transformation, which aims to create a low-carbon and circular economy. PWO is already strategically addressing these opportunities through its power-train agnostic and sustainable business model and its focus on lightweight construction.

The transition risks are correspondingly low, but are potentially present long-term – in the “SSP1 Scenario” – in the form of rising prices for GHG emissions, increasing reporting requirements and fluctuating energy prices. We are already addressing these risks strategically through the successful and continuous reduction of emissions, the steady improvement of our methods for recording emissions and an increasingly self-sufficient energy supply through the consistent expansion of photovoltaics, as we explain in detail in the section on “Climate change mitigation and energy management.”

When it comes to physical climate risks, PWO has differentiated insurance solutions and thus adequate protection in the event of potential financial losses. We are also working on diversifying our supply chain in order to further reduce the risk posed by these hazards. In addition, we constantly monitor the development of relevant extreme weather events and their frequency and intensity so that we can take any necessary preventive measures.

OUTCOMES AND METRICS

The climate scenarios and climate-related analyses used in our assessment are methodologically aligned with our risk management. Accordingly, any critical financial impacts of transition and physical climate risks occurring within the time horizons presented in the annual financial statements would be reported accordingly. There were no such risks during the reporting period.

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Resource use and resource outflows

The PWO Group considers the responsible use of materials to be part of its ecological and economic responsibility. The aim is to use materials efficiently and to systematically promote the development and implementation of circular economy concepts.

Since steel is the main resource for the PWO Group's production activities, alternative, lower-emission manufacturing processes are particularly important. In this context, PWO sees "green steel" as a relevant option for promoting closed material cycles and reducing greenhouse gas emissions associated with material production.

This approach reflects the PWO Group's understanding of taking a holistic view of environmental issues and making targeted use of interactions and synergies between individual aspects of sustainability, such as resource conservation and climate protection.

MATERIALITY

As a manufacturing group, PWO relies heavily on the use of materials in its production processes. This has both actual and potential impacts on natural resources. The resource-efficient use of materials in metal forming is an integral part of our core business and is of central importance for the sustainability of our business model and for securing our long-term competitiveness.

Steel is the key material used in our production. Due to the high recyclability of steel and the already established high recycling rates, PWO does not see any significant long-term risks with regard to the fundamental availability of materials. However, there are financial risks, particularly as a result of volatility in steel prices. These fluctuations are exacerbated by protectionist tendencies, particularly with regard to customs policy.

At the same time, risks arise from the currently limited availability of low-emission "green steel," which PWO intends to use to reduce negative environmental impacts. In the medium to long-term period, this could result in procurement and transformation risks, as production capacities are not yet sufficiently expanded and green steel may not be available in sufficient quantities, especially if demand increases. While the transformation could initially entail higher costs, these measures could give PWO a long-term competitive advantage and position it as a pioneer in sustainability in the automotive supply industry.

In terms of resource outflows, the production process generates materials that are not used in the end products. However, due to their high recyclability, these materials are not waste, but secondary raw materials that we can recycle to a large extent. This has a positive impact on the environment by promoting closed material cycles and creates economic opportunities, in particular through revenue from the recycling and sale of these materials.

POLICIES AND ACTIONS

Our strategic approach encompasses the sustainable procurement of materials, their efficient use in production and the consistent avoidance of waste through the application of recycling systems. Our goal is to reduce dependence on scarce natural resources, conserve natural raw materials and contribute to the long-term stability of ecosystems. The corresponding principles for responsible resource management are enshrined in our Group-wide environmental protection policy.

The strategic focus with regard to the sustainable use of resources is on promoting low-emission circular economy concepts. Given that steel is fully recyclable and recycling rates are already high, PWO is focusing in particular on the increased use of green steel produced with lower emissions. In doing so, the Company is also pursuing the goal of

reducing greenhouse gas emissions in the upstream value chain (Scope 3). The purchase of goods and services accounts for around 80% of PWO's Scope 3 emissions, which is largely attributable to the procurement of steel.

To secure the future supply of green steel, PWO is focusing on establishing long-term partnerships with steel manufacturers. A partnering agreement to this end was concluded in 2023 with Salzgitter Mannesmann Stahlservice GmbH, a subsidiary of Salzgitter AG. On this basis, we plan to be able to offer our customers green steel from Salzgitter from 2027 onwards.

The partnership is embedded in the "SALCOS® – Salzgitter Low CO₂ Steelmaking" transformation program, with which the Salzgitter Group is gradually converting its steel production to hydrogen-based processes. The goal is to achieve virtually carbon-free steel production by 2033. To this end, the conventional blast furnace route is to be replaced by an innovative production route based on direct reduction and electric arc furnaces. For PWO, this opens up the opportunity to offer customers a low-emission alternative to conventionally produced steel in the future, while at the same time implementing its own climate strategy along the value chain.

OUTCOMES AND METRICS

By establishing a comprehensive database for the upstream value chain, PWO has been able to significantly increase transparency regarding key material and associated emission flows. Here, too, we strive to record and analyze the interactions between various environmental issues accordingly.

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Through structured collection of primary data on Scope 3 emissions from suppliers responsible for more than half of the emissions from purchased goods and services, we have achieved a realistic picture of the environmental impact in the upstream value chain and significantly improved the data basis for robust management.

Based on this increased transparency, PWO is now in a position to develop differentiated key figures and targets for sustainable material procurement. This creates the conditions for the targeted derivation and implementation of supplier-specific measures and supports the gradual alignment of procurement with resource-saving and circular economy solutions.

Water management

Water is a resource of particular importance as it is central to life and the economy. It is increasingly exposed to risks, particularly as a result of climate change, intensive agricultural and industrial use and global population growth. Against this backdrop, PWO considers the efficient and careful use of water to be part of its environmental responsibility and a relevant element of its sustainability management.

MATERIALITY

As part of its materiality analysis, PWO implemented a structured process for identifying and evaluating significant impacts, risks and opportunities related to water. The analysis covered both its own business activities and the upstream and downstream value chain.

Our underlying approach was based on the phases of the LEAP process (“locate, evaluate, assess, prepare”). In a first step, locations and processes were identified where potential

water-related impacts could occur due to existing environmental interactions (“locate”). Building on this, positive and negative environmental impacts and the resulting risks and opportunities for the PWO Group were systematically identified (“evaluate”).

The subsequent assessment and prioritization of these impacts, risks and opportunities (“assess”) formed the basis for determining the material water-related issues. The perspectives of affected stakeholders were taken into account by internal experts, who incorporated relevant expectations and requirements into the assessment.

The results of the analysis enabled PWO to derive targeted strategies and measures (“prepare”) with the aim of avoiding or reducing identified negative impacts while addressing opportunities in the use of water resources.

There are no short- or medium-term risks to the water supply at PWO’s Oberkirch site. Due to its location in the Upper Rhine Plain, which is close to the Black Forest, this region has a high groundwater yield, which ensures a stable water supply. Long-term, there is a moderate risk with regard to water availability should the Black Forest slopes, which normally act as water reservoirs, lose their ability to slowly release water into the plain during periods of drought due to climate change.

Our analysis has shown that there are no acute risks (“droughts”) at our foreign locations. There are also no increased risks in the medium- to long-term period with regard to water supply, with the exception of our location in Mexico. Here, there will be an increased risk of drought from 2030 onwards, which could potentially affect the water supply.

POLICIES AND ACTIONS

Responsible water management is anchored as a strategic priority in PWO’s Group-wide environmental protection policy. The policy obliges all sites to continuously reduce water consumption and increase water efficiency in production processes. Our goal is to systematically minimize the water-related impacts of our business activities and strengthen our resilience to water-related risks.

This strategic orientation is in line with the PWO Group’s ambition to contribute to the UN Global Compact’s overarching water goal as part of the “Forward Faster” initiative in the future. A corresponding voluntary commitment within the framework of this initiative is planned for the future. The initiative aims to make a positive contribution to the protection of at least 100 particularly vulnerable water sources by 2030 through collective action by strengthening water resilience in operational processes and supply chains.

We are pursuing a series of concrete measures to implement this strategy. These include reducing water consumption through the use of closed-loop systems, implementing modern, water-saving technologies in production processes and taking preventive measures to avoid water pollution.

In addition, PWO operates recycling systems at 2 locations to conserve water resources. At the Oberkirch site, water from the Company’s own wells is used in production as part of a closed-loop system, while water from public sources is used exclusively for non-production-related areas such as canteens and social rooms. A recycling system for reusing water is also in use at the Chinese site.

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OUTCOMES AND METRICS

In 2023, our Oberkirch site participated in the Carbon Disclosure Project (CDP) Water Security Scoring for the first time. This assessment provides PWO with its first external, structured evaluation of the site's contribution to water security. The overall grade of "C" achieved corresponds to both the industry average and the European average and documents a basic level of awareness, management approaches and progress in the responsible use of water.

Participating in the CDP assessment process also increased the transparency of our water-related control and management practices. The results also served as a reference point for us in the current fiscal year for further improving our water management performance. The assessment allows us to conduct in-depth analyses to identify potential savings and systematically evaluate reduction opportunities.

Water withdrawal from public supply systems and water discharge into public sewer systems are determined on the basis of the bills issued by the respective utility companies. Water withdrawal from our own well systems is recorded using a site-specific meter system. This ensures a consistent and traceable data basis for reporting and future water management control.

Location-specific water withdrawal in 2025

m ³	Water withdrawal	
	2025	2024
China	13,857	15,509
Germany	16,344	15,763
Canada	2,684	3,299
Mexico	6,675	6,520
Serbia	2,456	2,225
Czech Republic	10,131	9,516
USA*	–	–
Total	52,147	52,832

* In addition to PWO, other companies are also located in the facility leased in the USA, all of which are connected to the same water meter. It is not possible to determine PWO-specific water consumption for the 2025 reporting year.

EMPLOYEE MATTERS

PWO operates in a rapidly changing environment with fast-paced technological shifts. Innovation power is thus a key factor in securing our future viability. We can only be innovative and competitive thanks to our employees. We view offering them good and safe work terms, motivating them and developing them as key to our success but also as a core duty for us as an employer.

The topic "Working conditions in own workforce," which is in our materiality matrix, covers 3 key points for us:

- / Occupational health and safety
- / Dialog and participation
- / Employee development

As a global company, PWO sees diversity as a key matter. We do not look at it alone but as part of the wider topics of participation and staff development. Our stance and action on anti-discrimination, which we consider to be closely linked to diversity, are set out in the chapter "Respecting and promoting human rights."

Occupational health and safety

For PWO, protecting the physical and mental health of our employees and promoting their well-being is a key part of our duty as a business. Our main goal is to avoid work-related health risks in a methodical way and to protect the health of our employees in the long term – both in the interests of our employees and in the long-term interests of our company.

MATERIALITY

As part of its materiality analysis, PWO has identified work-related health and safety aspects as a material aspect. As a manufacturing group, a significant proportion of our workforce is employed in areas of activity that involve increased physical health and safety risks. This results in potential negative effects on the physical integrity of employees, especially in comparison to administrative activities.

Inadequate implementation of occupational health and safety measures can also pose significant risks for PWO. These include immediate threats to the life and limb of employees, particularly at locations where legal requirements are less stringent or are not enforced by the authorities, as well as financial, legal and liability risks for the Company.

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In addition, the analysis identified potential physical and psychological stressors that can arise from shift work. Impairments to physical or mental health can lead to increased absenteeism and have a negative impact on productivity, motivation, employee retention and employer attractiveness. Against this background, protecting the physical and mental health of the Company's own workforce was assessed as an essential aspect of good and fair working conditions.

POLICIES AND ACTIONS

PWO has established binding guidelines throughout its entire Group to protect the physical and mental health of its employees. The underlying approach is preventive and aims to identify potential risks and hazards at an early stage and to avoid them by taking appropriate measures.

Building on this understanding of prevention, we are pursuing the goal of implementing occupational health and safety management systems in accordance with internationally recognized standards at all our locations. Our sites in China, Germany, Canada, Mexico, Serbia and the Czech Republic are already ISO 45001 certified. Following the opening of our site in the USA in November 2025 and with preparations for the start of operations underway, we are also planning to obtain certification for this site in the future.

Through clearly defined structures, processes and responsibilities, we strive to systematically prevent workplace accidents and work-related health impairments. To this end, existing processes are regularly reviewed to identify potential and actual hazards and to continuously derive improvements in accident prevention.

In addition, we conduct regular risk assessments at all locations, which are carried out by qualified experts. The assessments are differentiated according to the type of activity and take into account, in particular, the different requirements in administrative and production-related areas. In addition, there is regular communication with employee representatives, comparable committees at international locations and occupational safety officers. Within this framework, relevant risks are discussed and incorporated into the continued development of occupational safety measures.

In addition to regular risk assessments, PWO relies on training and education throughout the entire Group as key preventive measures to promote occupational safety and health protection. The aim is to raise our employees' awareness of health-related risks and to firmly establish safety-conscious behavior. This is implemented in close cooperation between safety and health experts and employees. Regular training sessions convey relevant information on occupational safety and reinforce personal responsibility in the workplace.

One example of this is the "Ergo-Scout" training format, which has been implemented across the entire Group. In this training course, employees acquire practical knowledge about the ergonomic design of workplaces and work processes with the aim of reducing physical strain and promoting health-conscious behavior in everyday working life.

Our occupational health management program is also an integral part of the PWO Group's health strategy. Employees at all locations have access to a wide range of exercise and health-promoting activities. These include events, competitions, themed campaign months and ongoing training and courses, for example in first aid.

Protection against illness is also an integral part of the measures. The hygiene concepts developed during the COVID-19 pandemic have been continued and continuously updated. In addition, PWO supports preventive health measures by offering counseling and vaccinations. Health consultations on topics such as preventive medical checkups and family planning are also offered to cover both physical and mental aspects of well-being.

There is a growing strategic focus on promoting mental health. To this end, we offer various counseling services and information formats. Our approach combines centrally defined initiatives and location-specific measures in order to take both Group-wide standards and local requirements into account appropriately. Supporting work-life balance, including through hybrid working models, is another component of this approach.

OUTCOMES AND METRICS

PWO uses the lost time injury rate (LTIR) as a key performance indicator to evaluate the effectiveness of its occupational safety strategies and measures. The LTIR is an internationally recognized indicator for measuring accident frequency and compares the number of work-related accidents resulting in lost time with the number of hours worked. This enables a comparable assessment of occupational safety performance regardless of company size and serves as a key basis for evaluating the results achieved.

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Occupational safety metrics (2025)

	2025
Proportion of employees covered by the occupational safety management system on the basis of legal requirements or recognized standards or guidelines (%)	100
Number of fatalities resulting from work-related injuries and work-related ill health	0
Rate of recordable work-related accidents (LTIR)	6.53

Dialog and participation

PWO involves its employees in a variety of ways in the identification and assessment of potential occupational safety hazards and enables employee participation at the individual sites. We have created institutionalized formats and processes for this purpose.

MATERIALITY

For a company like PWO, an international automotive supplier, dialog with employees and employee participation are key issues, as they have a direct impact on the performance, stability and future viability of our company. Structured and continuous dialog enables us to identify expectations, needs and potential for improvement at an early stage and to incorporate them into business decisions, which has a positive impact on employee motivation, job satisfaction and productivity.

On the other hand, a lack of or insufficient employee involvement carries risks, including declining identification with the Company, increased staff turnover and lower acceptance of organizational changes, for example in the course of transformation or efficiency programs. In the automotive sector in particular, which is characterized by high technological dynamics, cost pressure and regulatory requirements, a lack of communication and participation can jeopardize the successful implementation of strategic measures.

Institutionalized employee participation and dialog with employees help to address work-related risks at an early stage, for example with regard to occupational safety, working hours or training needs. It has a stabilizing effect on labor relations and reduces the risk of labor disputes or production interruptions. At the same time, constructive co-determination gives us opportunities to shape change processes together, leverage knowledge from the workforce and develop practical solutions.

Trust-based dialog also strengthens our attractiveness as an employer and helps us to recruit and retain qualified specialists. Dialog and co-determination make a significant contribution to securing the Company's competitiveness and sustainable value creation.

POLICIES AND ACTIONS

PWO maintains continuous and structured dialog with its employees in order to systematically identify and take into account their key concerns. This dialog takes place both directly with employees and via elected employee representatives. PWO AG has established a works council for this purpose, which is elected by the workforce and monitors compliance with legal and collective bargaining requirements, occupational health and safety measures and existing works agreements, and also has extensive co-determination rights.

In addition, the works council acts as a central link between employees and management by pooling the interests of the workforce, gathering suggestions from the staff and bringing these into the dialog with the Company. The issues addressed by the works council are taken up by the Executive Board and incorporated into the decision-making processes, including the strategic orientation of the PWO Group.

This applies in particular to issues relating to job and location security, where the Executive Board develops appropriate concepts in collaboration with the Works Council and with the involvement of trade union representatives. Communication between the Executive Board and the Works Council is institutionally anchored at PWO AG and takes place on a regular monthly basis. This ensures that employee-related perspectives are systematically incorporated into corporate management.

In addition to the regular communication formats, additional discussions are held to address urgent or current issues. Alongside the ongoing dialog with the Executive Board, employee interests are also represented by employee representatives on the Supervisory Board, who hold one-third of the seats and are thus involved in the monitoring and strategic support of the Company.

There are also other direct dialog formats available to our employees. At works meetings, they have the opportunity to address their concerns and suggestions directly to the Executive Board. In turn, our Executive Board reports at least once a year on the economic situation and development of PWO AG and the PWO Group, as well as on key aspects of human resources development. Additional topics relevant to the Company and its employees are also addressed.

PWO also ensures employee involvement at its international locations, taking into account the respective legal and institutional framework conditions. Institutionalized forms of interest representation exist in Mexico and the Czech Republic. At the Canadian location, an internal form of employee participation has been established over a long period of time in close consultation with local management, enabling employees to express

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their interests and point out potential negative effects. In China, where comparable participation structures are less common in the economic system, we also rely on internal dialog in accordance with Group-wide principles and guidelines.

Another component of our sustainability strategy is the Group-wide use of structured employee surveys. These serve as a key tool for systematically identifying important issues, initiating continuous improvement processes and measuring the effectiveness of measures implemented. The surveys specifically address key topics such as the quality of direct leadership and teamwork, healthy working practices, sustainability, feedback and error culture, lived principles and values, and fair, respectful and team-oriented interaction. The insights gained are incorporated into location- and division-specific action plans and support the evidence-based further development of our working conditions and corporate culture.

In order to promote individual dialog with each employee, an institutionalized annual performance review is held. This serves as a structured conversation between managers and employees. The aim is to reflect on cooperation, evaluate performance and development, and set goals and expectations for the future. These reviews promote transparency, motivation and personal development, and help to align individual potential with the Company's goals.

OUTCOMES AND METRICS

Based on our strategies and measures, we ensure consistent compliance with collective bargaining agreements and the applicable national minimum wage requirements at our locations. This also applies to our employees' right to freedom of association, employee representation and collective bargaining on working conditions, in particular remuneration.

As a result, all employees – both within and outside Europe – receive fair and appropriate remuneration. This practice contributes to stable employment relationships, social security for employees and a high level of loyalty to the Company. At the same time, we are contributing to social sustainability along our international value chain.

One result of our dialog with employees is the improvement of work-life balance at PWO. By introducing flexible and individually applicable arrangements for mobile working and by fostering a corporate culture that supports consideration and understanding for current family needs, we have created concrete relief in everyday working life. Through a variety of working time models, which are used by employees of all genders, we have been able to further improve work-life balance and promote equal opportunities.

While the number of employees at our German site has fallen slightly due to the order situation, we have continued to grow moderately at our sites in the Czech Republic, Canada and Mexico. As expected, the largest percentage increase in personnel was recorded at our newest production site in Serbia. As the new site in the USA was opened at the end of 2025, there were no permanent employees there in the reporting year.

Number of employees by country, broken down by gender

Country	Number of employees (head count)	Male	Female	Other	Not specified
China	228	178	50	–	–
Germany	797	694	103	–	–
Canada	330	236	94	–	–
Mexico	746	437	309	–	–
Serbia	152	125	27	–	–
Czech Republic	839	670	169	–	–
USA	–	–	–	–	–
Number of employees	3,092	2,340	752	–	–

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Number of employees by contract type, broken down by gender (head count)

Employment type	Female	Male	Other (as specified by applicant)	Not specified	Total
Permanent employees	661	2,069	–	–	2,730
Temporary employees	87	258	–	–	345
Non-guaranteed hours employees	4	13	–	–	17
Number of employees	752	2,340	–	–	3,092

Number of employees by contract type, broken down by region (head count)

Type of employment	China	Germany	Canada	Mexico	Serbia	Czech Republic	USA
Permanent employees	138	774	326	746	136	610	–
Temporary employees	90	23	4	–	8	220	–
Non-guaranteed hours employees	–	–	–	–	8	9	–
Number of employees	228	797	330	746	152	839	–

Employee development

Attracting and developing qualified and talented employees is a key factor in ensuring the long-term viability of our company as an automotive supplier. In an environment subject to technological change, regulatory requirements and increasing customer demands, they ensure our competitiveness and innovative strength.

MATERIALITY

Attracting and developing talented and qualified employees is essential for PWO, as they have a significant impact on our ability to create long-term value and successfully navigate the transformation of the automotive industry. Increasing technological change, particularly in the areas of electromobility, digitalization and automation, is leading to changing skills requirements and increasing our need for qualified specialists.

Insufficient access to suitable talent can pose significant risks to our innovation and delivery capabilities as well as product quality. At the same time, targeted personnel development measures create opportunities to implement new technologies more quickly and secure competitive advantages.

The way in which personnel are recruited and developed also has a direct impact on employees, for example in terms of qualifications and long-term job security. Regulatory requirements and rising expectations from customers and other stakeholders increase the importance of treating employees responsibly.

Inadequate further development would not only have potentially negative consequences for PWO, but also for the employees themselves, as it would make career paths in our company or others more difficult for them. That is why we at PWO see it

as our responsibility to equip our employees with a broad and evolving range of qualifications.

The ongoing internationalization of our Company, such as through the commissioning of our site in Serbia, also increases the importance of intercultural skills, the systematic promotion of which has a positive impact on cooperation, integration and global management capabilities. Inadequate development of these skills, on the other hand, can impair the effective implementation of our international business activities.

In addition, strategically oriented personnel development supports the socially acceptable change that will continue to characterize the automotive industry in the coming years and reduces transformation risks. It also helps to strengthen employer attractiveness in a tight labor market. Against this backdrop, personnel development is considered an essential aspect for PWO.

POLICIES AND ACTIONS

The continuous personal and professional development of our employees is a central component of our human resources strategy. The aim is to systematically and structurally open up sustainable career prospects for employees within the PWO Group and to actively support them in their development. To this end, individual qualification programs are developed that take into account both the existing skills and career goals of the employees and the medium-term skills requirements of the Group. The programs include the targeted development of technical and methodological skills, the further development of personal skills and specific training for junior managers and specialists.

In addition, we promote the acquisition of intercultural skills and international experience in order to strengthen cross-location cooperation and meet the growing demands of our global

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customer, supplier and partner relationships. We specifically support international career paths through a Group-wide talent program with participants from all locations, covering both management and project careers. This enables function-related development, the assumption of higher-value tasks and qualification for new specialist areas.

The training of young talent is also strategically anchored. We attach great importance to the high quality of our training programs and regularly design them to exceed the minimum requirements set by law and the chamber of commerce. The aim is to offer trainees a future-oriented job within the PWO Group that matches their qualifications after they have successfully completed their training.

Our managers play a crucial role in successful personnel development. Our PWO values canon, adopted in 2022, commits managers to promoting their employees and ensuring that they are treated responsibly and with respect. We believe that professional and personal development is only possible in a fair and appreciative working environment.

We therefore expect our managers to identify any potential negative impacts at an early stage and to forward them to the relevant departments within the organization. On this basis, it is the responsibility of the relevant departments, in particular Human Resource Management, to systematically develop and implement appropriate approaches and measures to effectively address and

limit any negative effects on a good working environment. This structured process ensures that relevant issues are addressed promptly and integrated into existing control and improvement mechanisms.

OUTCOMES AND METRICS

As a result, by systematically developing future-oriented skills as part of our systematic personnel development program at various levels, we are increasing the employability of our employees in the areas of technology, digitalization and process expertise. This goes hand in hand with improved innovation capabilities thanks to more highly qualified specialists and managers who can develop, industrialize and transfer new technologies into series production more quickly.

In particular, by developing intercultural skills and international experience, we have succeeded in strengthening cross-location and cross-country cooperation. One example of this is our talent program, which we launched in 2023. Since then, 12 graduates have completed the program, which lasts 1 and a half years and involves an average of 4 assignments abroad.

In addition to strengthening geographical mobility, we have also succeeded in strengthening internal mobility, which enables managers and employees alike to take on new or more challenging tasks and to support transformation processes in a flexible manner. This enables us to tackle the major challenges facing the automotive industry.

At 19.67% (corresponding to a total of 537 employees who left the Company during the reporting period), the Group-wide employee turnover rate in the reporting year was at a similar level to the previous year. We attribute this to the transparent development and career prospects at PWO, which make us an attractive employer in the industry. This goes hand in hand with the strengthening of our leadership culture, in particular through our qualified junior managers, who shape change processes in a responsible, socially acceptable and performance-oriented manner.

The targeted alignment of our personnel development with our strategy and the associated skills requirements contributes significantly to securing our long-term competitiveness and value creation.

RESPECTING AND PROMOTING HUMAN RIGHTS

Respect for human rights is a central component of responsible corporate governance at PWO. We are convinced that sustainable business success is only possible if we fulfill our human rights responsibilities both at our sites and throughout our global activities. Against this background, we pursue the goal of ensuring compliance with human rights in all companies of the PWO Group and also demand that our business partners observe these rights.

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Below, we report on the key topics for PWO: “Protecting human rights within our own company” and “Promoting human rights in the value chain.” Due to our holistic approach to guidelines, processes and strategies, there are overlaps between these topics, which are referred to in the relevant sections.

Respect for human rights within our own company

Protecting the rights of our employees at all locations is of paramount importance to us. We consistently oppose child labor, forced labor, all forms of modern slavery and human trafficking, and any form of discrimination. Our overarching goal is to manufacture products exclusively in compliance with human rights and under fair and appropriate working conditions.

MATERIALITY

In order to gain a deeper understanding of potential human rights risks that may arise from industry-specific, regional or personal factors such as age, gender, ethnicity or religion, PWO conducted a 2-stage analysis process. In the first step, publicly available sources of information, including those from non-governmental organizations and scientific institutions, were evaluated in order to systematically identify and specify potential risks. Based on this, a structured assessment of possible negative impacts on affected groups of people was carried out.

The results of our analysis show that the risk of human rights violations at most locations can be classified as low due to stable economic, legal and social conditions. In individual countries, particularly China and Mexico, there is an increased risk potential, especially with regard to non-permanent workers such as temporary agency workers, who were consistently included in the assessment. Possible human rights violations

in these contexts represent potential negative impacts for the individuals affected.

At the same time, human rights violations can pose significant risks for PWO, particularly in the form of reputational damage, the loss of existing orders and more difficult access to new customers. This is particularly relevant given that compliance with human rights due diligence obligations and supply chain compliance are increasingly considered key selection criteria in the automotive industry. There are also legal risks, such as civil or criminal proceedings for non-compliance with human rights standards.

Consistent protection of human rights within our own business and along the value chain also creates opportunities. It strengthens the trust of key stakeholders such as employees, customers, investors and suppliers. It also promotes stable and sustainable business relationships, as our partners perceive compliance with human rights standards as an indicator of quality and compliance. Overall, it strengthens risk minimization within the framework of our Group-wide risk management by enabling potential legal violations, reputational damage and operational impacts to be identified and addressed at an early stage.

POLICIES AND ACTIONS

Our Human Rights Policy forms the basis for the consistent protection of human rights within the PWO Group. This policy was developed in close consultation with the works council, taking into account the expectations of various stakeholders, and was adopted by the Executive Board with the approval of the Supervisory Board. It documents our binding commitment to respecting human rights – both within the entire group of companies and along the entire supply chain.

In order to meet the requirements and complexity of human rights due diligence obligations, the policy defines clearly implementable guidelines that we expect all companies in the PWO Group to comply with. It sets out the strategic guidelines, responsibilities and specific measures that ensure human rights risks are systematically identified, assessed and addressed. The Human Rights Policy thus serves as a central control instrument for managing risks, promoting opportunities and continuously improving our human rights commitment.

It explicitly includes the following requirements, which are binding for all companies in the PWO Group:

- Compliance with the prohibition of child labor
- Compliance with the prohibition of human trafficking, slavery and other forms of forced labor
- Ensuring occupational safety and health protection
- Respect for freedom of association
- Non-discriminatory treatment of employees
- Ensuring decent working conditions for employees, including fair pay and maintaining employability
- Preventing the unfair use of private or public security forces for business purposes
- Protection of indigenous peoples' rights and prohibition of unlawful land acquisition

The content of our Human Rights Policy is based on internationally recognized frameworks, including the United Nations Universal Declaration of Human Rights, the principles of the UN Global Compact, the core labor standards of the International Labor Organization (ILO), the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the provisions of the German Supply Chain Due

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Diligence Act (LkSG). We expect our business partners to recognize these frameworks and standards, taking into account applicable country-specific laws.

All employees of the PWO Group are fully committed to complying with our policy, which is why we make it compulsory reading with confirmation of reading in mandatory training courses. This policy expressly prohibits any form of discrimination based on gender, ethnicity, origin, nationality, religion or ideology, political, social or trade union activities, sexual identity or orientation, physical or mental illness, or age. Violations of these principles will be consistently punished.

To ensure equal opportunities, the guideline stipulates that all personnel processes – from hiring to training and remuneration to promotions – must be based solely on performance, qualifications, skills and experience. These clearly defined guidelines and their consistent implementation enable us to create a structured system that protects human rights standards, prevents discrimination and ensures fair treatment for all employees.

PWO actively promotes the inclusion of people with disabilities and creates conditions under which they can fully develop their skills and potential within the Company. Support ranges from practical assistance with visits to government offices and authorities to subsidies for necessary modifications to personal workplaces. An inclusion agreement has already been drawn up for our location in Oberkirch, while our international locations are to gradually develop their own agreements.

The protection of human rights is closely linked to our Code of Conduct, which is binding for all employees and is described in

more detail in the chapter “Integrity and Compliance.” Employees are required to report potential or actual violations of human rights due diligence obligations. Various channels are available for this purpose, such as the Compliance Office, managers or members of the works council or comparable committees at international locations. In addition, employees can use our online whistleblower system, which also allows confidential and anonymous reporting.

To ensure awareness and use of these reporting systems, we specifically inform all employees about their existence and refer to links on our website, in our Human Rights Policy and in our Code of Conduct. These measures ensure that the protection of human rights is not only defined as a strategic goal, but is also effectively implemented through concrete instruments, procedures and responsibilities in our daily business environment, and that violations are systematically addressed. The reporting system is an essential part of our compliance organization. For a more detailed description, please refer to the section “Integrity and Compliance” in this report and to information published on the Group's website (→ www.pwo-group.com/en/pwo-gruppe/corporate-governance/).

OUTCOMES AND METRICS

To assess the effectiveness of our human rights protection measures, we systematically record the total number of reports received through our reporting systems regarding potential or actual human rights violations, including discrimination. No such reports were recorded during the reporting period. Furthermore, we have no other indications of significant risks or actual human rights violations within our workforce.

These results clearly show that the strategies, guidelines, measures and control mechanisms we have implemented are effectively helping to protect the rights of our employees. At the same time, they underscore that our working environment is characterized by fairness, equal opportunities and respect, which both strengthens employee trust and supports the long-term security of our business activities.

Promoting human rights in the supply chain

At PWO, we understand social responsibility as a holistic commitment that extends beyond our own locations and encompasses the entire value chain. Our suppliers play a key role in this. We expect them to consistently adhere to recognized values and standards of ethical conduct and to firmly anchor these in their business processes. The high standards we apply to our own actions are also applied to our cooperation with our business partners.

MATERIALITY

PWO works with a large number of different suppliers worldwide. Against this backdrop, PWO AG conducted a comprehensive risk analysis that also complies with the requirements of the LkSG. The aim was to systematically identify potential negative impacts on workers along the upstream and downstream value chain. The analysis included a location-specific assessment and, as part of a heat mapping approach, covered both direct and indirect suppliers as well as logistics service providers in order to take into account as many workers as possible who could potentially be affected by significant impacts.

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Due to our business model, we have business relationships in the upstream value chain, particularly with companies in the raw materials extraction industry, the manufacturing sector and transport and logistics service providers. The procurement of production materials – especially from steel and aluminum processing – is of particular importance in this context. Even though PWO does not purchase raw materials directly from the extraction sites, these are included in the analysis as the origin of the supply chain.

Our findings show an increased risk spectrum, particularly among indirect suppliers, covering issues such as child and forced labor, inadequate occupational safety, restricted freedom of association, inadequate remuneration, discrimination, the unlawful use of security forces, the violation of the rights of indigenous peoples, and illegal land grabbing. In the case of direct suppliers, the focus is particularly on work-related issues, with certain groups such as children, women and ethnic or religious minorities potentially exposed to increased risks.

Human rights violations in the supply chain can pose significant risks for us. These include, in particular, reputational risks that could negatively impact PWO's attractiveness to investors, customers and employees. In addition, serious incidents at suppliers can lead to production interruptions and thus impair PWO's security of supply and delivery capability, especially in the case of strategically relevant business partners. Although liability risks in connection with human rights violations in the supply chain are considered to be lower than incidents within the Group itself, they cannot be completely ruled out.

Through the structured identification and assessment of human rights risks along the value chain, we create a basis for effective risk management and the targeted derivation of preventive measures. The consistent implementation of human rights due

diligence obligations strengthens the trust of customers, investors and other stakeholders and strengthens our business relationships with them. At the same time, transparent and responsible supply chain management helps to increase security of supply and meet regulatory requirements.

POLICIES AND ACTIONS

The basis for our approach to promoting and protecting human rights in the supply chain is the Group-wide Human Rights Policy described above. The principles defined in this policy apply equally to our cooperation with business partners, ensuring a consistent and uniform approach throughout the entire value chain.

Accordingly, our Human Rights Policy not only incorporates the contents of the Code of Conduct for our employees, but also those of the Business Partner Code, and expands upon them. The Business Partner Code – like our Policy Statement – is available to all relevant stakeholders in several languages, including German, English, Spanish, Czech, Chinese and Serbian.

As an integral part of contractual relationships, our code for business partners requires acknowledgment and acceptance of the established principles, including compliance with applicable legal requirements in all countries of business activity and ethically responsible conduct. In addition, it obliges business partners to take the defined standards into account when selecting their own business partners. In this way, we pursue the goal of implementing ESG principles along our entire value chain.

Our strategy for safeguarding human rights in the supply chain includes both external requirements and internal control mechanisms. All employees responsible for the procurement process are obliged to systematically incorporate human rights aspects into the selection, evaluation and monitoring of suppliers. In

this way, we ensure that human rights due diligence obligations are consistently implemented through clear guidelines and responsibilities.

To this end, we have established a clearly structured and Group-wide uniform process that begins with a comprehensive risk analysis. As part of this process, we systematically check whether there are any indications of potential or actual violations of employee rights among potential or existing suppliers. The software-supported analysis takes into account both country- and industry-specific risk factors as well as Company-related aspects, in particular possible involvement in human rights violations based on publicly available information sources. In addition, sustainability or compliance reports from the respective suppliers are included in the assessment, if available.

We collect in-depth supplier-specific information using standardized self-assessment questionnaires (SAQs). The information is systematically evaluated, and we expressly reserve the right to verify its accuracy through further checks, including on-site audits. The questionnaire is divided into mandatory minimum requirements and additional criteria. Suppliers who do not meet the minimum requirements will not be considered as contractual partners of PWO.

If suppliers do not fully meet the additional requirements, we work with them to develop individual action and development plans. These plans contain clearly defined objectives, specific measures and the obligation to provide suitable evidence of their implementation, and are designed as a binding part of the contractual relationship. We monitor the implementation of the agreed prevention and improvement measures as part of regular reviews. If the required evidence is not provided, we demand that the measures be implemented again. Suspension or termination of the business relationship is a last resort and only

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comes into effect if the agreed measures are not implemented despite repeated requests or if repeated violations are detected.

Accordingly, we expect our business partners to disclose any potential or actual violations of human rights requirements to us without delay. This obligation covers both their own business area and the upstream supply chain, including any subcontractors. If there are substantial indications of possible violations within the area of responsibility of a business partner, we demand a prompt and transparent investigation. If violations of protected legal positions are identified, we will request the respective business partner to remedy them immediately or, if this is not immediately possible, to effectively limit their effects. PWO must be kept informed about the implementation of the agreed remedial measures.

This approach supports the targeted development of our suppliers and contributes to the promotion of human rights along our value chain. At the same time, we reduce human rights risks by excluding suppliers who do not meet minimum requirements or implement agreed prevention measures. In doing so, we send a clear signal regarding the high importance of ESG criteria for a business relationship with the PWO Group.

In addition, we systematically scout for new suppliers, paying particular attention to their ESG performance. When comparing similar offers, the submission of a sustainability report is a positive factor in the selection decision. In this way, we create targeted economic incentives for suppliers to comply with and promote human rights standards.

The measures described above are implemented in close cooperation between the purchasing function, quality management and the Compliance Office in order to pool technical expertise and experience. Managers and employees in relevant functions are enabled to effectively implement human rights requirements in the procurement process through targeted training. The Compliance Office supports the specialist departments in matters relating to supply chain compliance, carries out case-specific risk analyses and processes reports from the whistleblower system on supply chain compliance. It is also responsible for communicating and training on the relevant content of guidelines and codes of conduct.

To identify potential risks and actual violations of human rights requirements at an early stage, we enable workers along our value chain to report concerns directly to us. To this end, we have implemented a web-based whistleblower system with the help of an external service provider, which is protected by modern encryption and security mechanisms. The system is accessible via our website in several languages, including German, English, Spanish, Czech, Serbian and Chinese, thus catering to the locations of our international subsidiaries. In addition, we provide comprehensive information on how the system works and how to use it in these languages.

With regard to the future development of our processes, our strategic goal is to systematically subject all new suppliers with an expected contract term of at least 2 years to a supplier assessment. At the same time, we ensure that all employees involved in procurement processes receive regular training on the relevant

guidelines, procedures and responsibilities to ensure consistent and effective implementation of our human rights due diligence obligations in the supply chain.

In addition, we are intensifying our cooperation with existing suppliers and focusing on a partnership-based approach. The aim is to identify potential negative impacts on workers at an early stage and effectively prevent them. To this end, we provide targeted expertise for identifying human rights risks and developing and implementing appropriate preventive measures. This partnership-based approach strengthens our strategic focus on consistently prioritizing preventive action over reactive remedial measures.

OUTCOMES AND METRICS

We ensured the effectiveness of our measures to guarantee supply chain compliance in the reporting year through a combination of process-integrated controls, independent audits by the Compliance Office and clearly defined internal reporting obligations. In addition, the consistent documentation of all key steps in our risk management process and the systematic traceability of individual measures enabled us to review implementation in a transparent manner.

The Executive Board was informed about the status of supply chain compliance and was thus able to gain a continuous picture of the effectiveness of the established procedures. To evaluate the results, we continuously monitored the number of identified violations of governance and human rights requirements in the supply chain, differentiated between direct and indirect suppliers.

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During the reporting period, no violations or justified suspicions of compliance violations in the supply chain were identified. Accordingly, no relevant reports were received via the whistleblower system. Consequently, there was no need to initiate or implement remedial measures. These results confirm the effectiveness of the prevention, control and monitoring mechanisms implemented, also in terms of the requirements of the LkSG.

INTEGRITY AND COMPLIANCE

Compliance with legal requirements and recognized ethical standards is a central component of PWO's corporate identity. In line with this conviction, we take our role in society and our responsibility toward employees, shareholders, customers and business partners very seriously. Value-based, ethical and compliant conduct is firmly anchored in our corporate culture and shapes all business decisions. This attitude is reflected in our aspiration to combine economic success with a positive contribution to society and the environment ("Business as a Force for Good").

For PWO, responsibility also has a digital dimension. In this age of digitalization, which we see as offering great opportunities, it is essential to handle sensitive information with care and protect it from unauthorized access. The ongoing digital transformation of the world of work and the associated increase in virtual collaboration mean that IT security is becoming increasingly important. At PWO, we strive to comprehensively protect the integrity of our data in the interests of our stakeholders and our Company. "Digitalization and information security" has therefore emerged as a key issue from our materiality analysis.

However, the issue of "corruption and bribery" has not been identified as material for PWO in the current analysis. Nevertheless, we are including it in our non-financial report because the "CSR Guidelines Implementation Act," which is the binding legal framework for PWO, stipulates it as a reporting topic.

Digitalization and information security

As an innovation-driven company, we systematically use digitalization to further develop our business areas and products. This includes both development and production-oriented processes as well as administrative procedures. When using the relevant personal and business-related data, our stakeholders expect us to act in a secure and responsible manner. Against this background, we are committed to effectively and comprehensively protecting our IT systems and the data of our employees, customers, shareholders and business partners through appropriate technical and organizational measures.

MATERIALITY

Advancing digitalization opens up substantial value creation potential for PWO. The targeted use of digital solutions in administrative and operational processes enables workflows to be automated, throughput times to be shortened and efficiency gains to be realized. This results in sustainable productivity gains and cost reductions. At the same time, digitalization enables us to meet increasing customer demands for transparency, speed and process integration, thereby helping to strengthen our competitive position.

Digitally supported process and resource efficiency also helps reduce negative environmental impacts, particularly in terms of energy and material consumption. In addition to positive consequences for the environment and climate, this also creates financial opportunities for PWO in terms of cost savings.

In addition, the use of digital working models, in particular location- and time-flexible forms of work, creates attractive conditions for attracting, retaining and motivating employees, and has a positive effect on our attractiveness as an employer.

However, increasing digitalization also brings with it significant risks, particularly in the area of IT security. Cyberattacks, data leaks or system failures can lead to considerable damage to reputation, loss of trust among customers and business partners, and civil and criminal consequences, including financial burdens. In addition, regulatory risks arise from non-compliance with data protection and IT security requirements.

A particular risk potential lies in the loss or compromise of intellectual property, which is of central strategic importance to PWO as an innovative company. In addition, cyber incidents – such as ransomware – can lead to interruptions in business-critical processes, production downtime and possible ransom demands, thereby impairing the Company's operational resilience.

POLICIES AND ACTIONS

PWO pursues a clearly structured compliance strategy across the entire Group, which is based on the binding establishment

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of principles of conduct and internal company standards. These are largely based on applicable legal requirements and serve to ensure legally compliant, responsible and legitimate conduct in all areas of business.

The internal regulations apply to all employees of the PWO Group and define binding minimum standards across the Group. At the same time, it has been strategically determined that, in the event of deviating or stricter local legal requirements, the higher level of protection shall always apply. In such cases, the internal regulations are adjusted in close consultation with the Compliance Office to ensure consistent and legally compliant implementation across all companies.

The Code of Conduct, which is available to all internal and external stakeholders on our website, plays a central role in our compliance and governance approach. It defines full compliance with applicable laws and regulatory requirements as a binding principle of conduct for all business areas and locations of the PWO Group. The Code of Conduct thus forms the strategic framework for acting with integrity and responsibility.

It comprehensively covers all relevant topics in this context, including “data protection and information security.” It regulates the handling of internal company information and sensitive business data for all employees. They are obliged to process personal data exclusively in accordance with the applicable legal requirements, internal guidelines and the consent given by the persons concerned. Data protection is systematically taken into account throughout the entire data life cycle by ensuring that data is collected, stored, processed, shared and used responsibly from the outset.

To ensure transparent and responsible handling of data, PWO provides appropriate information and communication measures to adequately inform employees, business partners and customers about the type, scope and purpose of data processing. In addition, PWO has established clear IT security guidelines that prohibit, among other things, the unauthorized copying of software and the installation of unauthorized programs on Company-owned hardware. Corresponding approval processes are binding and are monitored by the IT department.

In addition, binding guidelines for the use of IT systems and communication media have been established. The misuse of IT systems, internet access or email accounts for illegal or unethical purposes is expressly prohibited. In particular, searching for, downloading or distributing content of a racist, extremist, pornographic or violent nature is considered a serious violation and will be strictly sanctioned.

Our employees are also expressly obliged to report any actual or potential violations of which they are aware without delay. This includes both active misconduct and the deliberate omission of required actions, as well as attempts to conceal violations. PWO provides several clearly defined reporting channels to implement this requirement. Reports can be submitted via the respective manager, directly to the Compliance Officer, or via the Group-wide whistleblower system. The whistleblower system is available around the clock and allows for confidential and anonymous reporting at the request of the person making the report. In this way, PWO ensures low-threshold, secure and effective detection and handling of compliance violations.

Employees who report possible or actual violations in good faith are protected by us from any discrimination. This protection applies regardless of whether a reported suspicion is confirmed in the further investigation process or not, and extends to actions both within the Company and by third parties. Threats, reprisals or other retaliatory measures against whistleblowers will not be tolerated and will be strictly sanctioned. At the same time, we have clear measures in place to prevent misuse of the whistleblower system. The deliberate submission of knowingly false reports is prohibited and may result in disciplinary action and claims for damages.

To ensure compliance with our internal guidelines and legal requirements, PWO has also implemented a Group-wide compliance management system (CMS) that is continuously being updated. Clear structural and procedural organizations have been established at all locations for this purpose, which also serve to effectively prevent data protection violations, cyberattacks and the loss of sensitive personal or business-critical information. PWO AG’s CMS is certified in accordance with DIN ISO 37301:2021 (“Compliance management systems – Requirements with guidelines for use”) and encompasses the systematic planning, implementation, monitoring and further development of all relevant organizational measures. We are planning certification for our foreign subsidiaries in 2026.

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To strengthen data protection and information security awareness, we conduct structured training measures across the Group. To this end, we rely on a multi-level training approach that combines different learning formats, including face-to-face events and interactive, digital self-learning modules. The relevant mandatory training courses are compulsory and are held regularly on an annual basis to ensure continuous awareness and the sustainable anchoring of the requirements in everyday work.

Executive Board members, executives and employees are required to complete regular training on relevant compliance topics. Training is held annually, while new employees and newly appointed executives must complete the mandatory training no later than 6 months after joining the respective target group.

To ensure transparency and effectiveness, the training measures implemented are systematically documented. The Compliance Officer reports regularly to the Executive Board and Supervisory Board, providing comprehensive information on training activities and other compliance measures. This enables continuous monitoring and the targeted development of training strategies throughout the Company.

Our managers also play a central role in the area of data protection and information security. They systematically identify potential risks, which are then assessed across the Group and at specific locations using standardized questionnaires. Given their expertise, overall technical responsibility for data protection issues lies with the data protection officers, who address relevant incidents and findings in the Compliance Committee and present them for further consideration.

To ensure the effectiveness of our information security management system (ISMS), we continuously conduct internal and external audits. In doing so, we adhere to ISO/IEC 27001,

the internationally recognized standard for the design, implementation, operation and continuous improvement of an ISMS. ISO/IEC 27001 certification applies across the entire Group. In addition, all plants have TISAX certification according to Assessment Level 2, which is specific to the automotive industry.

Structured emergency and recovery plans have been developed to prepare for potential cyber incidents. These are regularly tested as part of IT emergency drills to simulate potential scenarios, conduct test processes and derive specific improvement measures.

In addition, we implement a comprehensive set of technical and organizational security measures based on a holistic, multi-level protection approach. This includes measures for physical security, IT perimeter protection, network security, endpoint protection and application security.

To further increase the level of protection, multi-factor authentication has been introduced for external access to PWO systems. Access is granted via a combination of user IDs and passwords as well as additional confirmation via an authenticator app, effectively reducing the risk of unauthorized access in the event of compromised access data. The Group-wide authorization policy is based on the function codes of the employees and is centrally controlled via the Active Directory system and updated daily. By mapping the organizational structure in authorization management, PWO ensures close integration of organizational, procedural and technical security measures.

OUTCOMES AND METRICS

Thanks to our holistic approach, there were no reportable incidents of data theft or data loss in the reporting year, including in connection with customer data. Likewise, there were no substantiated complaints received regarding the breach of customer or employee data protection.

Combating corruption and bribery

At PWO, we are committed to innovation and the highest quality in order to offer our customers products and services that exceed their expectations. Our strategic approach is performance-oriented and based on fair, effective competition. For this reason, we strictly reject any form of behavior that restricts competition or distorts the market.

Promoting fair competition also enables us to set ourselves apart with our products and services within a transparent and fair framework. We see the consistent fight against corruption and bribery as a strategic tool for creating both social benefits and sustainable corporate added value.

POLICIES AND ACTIONS

Our Code of Conduct, as an overarching framework, also sets binding standards with regard to combating corruption and bribery in order to prevent undue influence and ensure that all employees act in a transparent and compliant manner. It requires compliance with all relevant international anti-corruption and bribery regulations, in particular the guidelines of the United Nations. The acceptance of gifts and invitations is only permitted if the occasion and scope are appropriate; the same applies to the offering of gifts or invitations to business partners, whereby any impression of undue influence must be ruled out.

In addition, PWO implements measures to ensure consistent compliance with national and international economic sanctions and to prevent money laundering and terrorist financing. To this end, standardized verification processes are used to systematically check master data and transactions against current sanctions lists. All of the Group's import and export transactions are subject to binding requirements, which include export and customs regulations, embargoes, national laws and other regulatory requirements.

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To support the implementation of the Code, there are supplementary guidelines that define specific measures, for example, on dealing with donations and sponsorship, gifts, invitations and hospitality, on preventing conflicts of interest, on reporting information and on complying with competition and anti-corruption regulations. In this way, PWO ensures that regulatory requirements are systematically integrated into operational business processes and implemented in a sustainable manner.

In addition to our Code, we have implemented an anti-corruption management system that enables us to continuously review and improve our anti-corruption measures. This system is already certified for PWO AG in accordance with DIN ISO 37001:2016. We are also planning to obtain certification for our foreign subsidiaries in 2026.

In addition to general compliance obligations, we conduct targeted training measures for all employees who come into contact with bribery and corruption risks. They are systematically familiarized with the Company's anti-corruption policy and receive preventive training. Employees whose activities involve particularly high risks complete this training within the first year of joining the Company at the latest.

Our policy on compliance with applicable anti-corruption regulations explains various forms of corruption and typical risk situations in a practical manner. The aim is to raise employee awareness of potential corruption risks and to clearly define the term "corruption" in order to minimize room for interpretation. All members of the Executive Board and Supervisory Board also receive mandatory training within the first year of taking office; further training is provided as needed.

PWO pursues the fight against corruption not only within its own organization, but also along the entire value chain. To this end, binding requirements are formulated in the Code of Conduct for Business Partners, compliance with which is regularly monitored. Violations can be reported via defined reporting channels, including the Company's own whistleblower system. This system is also available to the employees of our business partners and external third parties and enables confidential and secure reporting, as explained in more detail in the previous section.

OUTCOMES AND METRICS

During the reporting period, no proceedings were initiated against the PWO Group in connection with violations of anti-corruption or bribery regulations. Furthermore, no reports of potential violations or suspicious cases were received through the various reporting channels. These results underscore the effectiveness of our preventive measures and training programs, as well as the consistent implementation of our compliance strategy throughout the Company.

EU Taxonomy

PWO is required under Article 8 of Regulation (EU) 2020/852 (hereinafter referred to as the "EU Taxonomy" or "Taxonomy") to report on how and to what extent the Company's activities are linked to economic activities that are classified as environmentally sustainable in accordance with Articles 3 and 9 of the EU Taxonomy. Within this framework, reporting companies must disclose the proportion of their turnover, capital expenditure (CapEx) and operating expenses (OpEx) associated with Taxonomy-eligible and Taxonomy-aligned economic activities.

To this end, the EU Taxonomy provides a systematic classification scheme for environmentally sustainable activities. Based on this system, companies' own economic activities are assessed and classified in terms of their environmental sustainability. The classification system is divided along the 6 environmental objectives enshrined in the Green Deal:

- Climate change mitigation (CCM)
- Climate change adaptation (CCA)
- Sustainable use and protection of water and marine resources (WTR)
- Transition to circular economy (CE)
- Pollution prevention and control (PPC)
- Protection and restoration of biodiversity and ecosystems (BIO)

The EU Taxonomy stipulates that economic activities are only Taxonomy-aligned – i.e., environmentally sustainable within the meaning of the Taxonomy – if they:

- Contribute significantly to the achievement of 1 or more of the environmental objectives set out in Article 9, in accordance with Articles 10 to 16
- Do not lead to any significant impairment of 1 or more of the environmental objectives set out in Article 9 ("do no significant harm")
- Are exercised in compliance with the minimum safeguards set out in Article 18
- Comply with the technical assessment criteria in terms of making a significant contribution to environmental objectives and complying with the principle of avoiding significant adverse effects in accordance with Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2)

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REPORTING FOR FISCAL 2025

In accordance with the requirements of the EU Taxonomy and the associated delegated acts (EU) 2021/2139, (EU) 2021/2178, (EU) 2022/1214, (EU) 2023/2485 and (EU) 2023/2486, we disclose information about our business activities. This information is part of this summary non-financial report for fiscal year 2025. We make use of the simplifications in the application of the EU Taxonomy in accordance with Article 4 of Delegated Regulation (EU) 2026/73.

Our analysis of the classification of turnover, capital expenditure and operating expenses refers to the companies included in the PWO Group's financial statements through full consolidation. As part of our analysis, the economic activities relevant to the PWO Group were assigned exclusively to the environmental goal of "climate change mitigation." PWO was unable to identify any contribution to the fulfillment of the other 5 environmental goals.

Approach

At PWO, the identification of Taxonomy-eligible economic activities and the determination of possible Taxonomy alignment is carried out by an interdisciplinary team of experts from various divisions of the Company.

We take a holistic approach to conducting the analysis in order to verify and ensure compliance with Taxonomy requirements. In addition to the assessments of our in-house experts, we refer to publications by the Institute of Public Auditors in Germany (IDW) and the tools provided by the EU in the form of the EU Taxonomy Navigator and the EU Taxonomy Compass contained therein to validate our analysis of potentially Taxonomy-eligible economic activities.

The specific analysis approach is as follows: In a first step, we examine which of our economic activities are potentially Taxonomy-aligned in order to then check whether they cumulatively exceed the materiality threshold of 10.00% for each of the 3 performance indicators. If this is the case, we then carry out a detailed review of Taxonomy eligibility and alignment.

Assessment of Taxonomy eligibility and materiality of turnover

Due to the uniform business model across the PWO Group and the associated activities, we do not assume in our audit that there are different economic activities across locations or individual subsidiaries for the purpose of generating turnover. In contrast, the classification of capital and operating expenses is location-specific.

In our initial assessment of the environmental goals to which PWO potentially contributes through its turnover, the economic activities relevant to us are exclusively located in the Taxonomy for climate change mitigation. Based on our analysis of the turnover generated, PWO does not contribute to the fulfillment of the other 5 environmental goals. Accordingly, our assessment of Taxonomy eligibility was conducted using Annex I of Delegated Regulation (EU) 2021/2139.

We have come to the conclusion that PWO's core business activities and the associated turnover remain outside the scope of the Taxonomy. Due to a possible scope for interpretation, we subjected the applicability of activity CCM 3.18 ("Manufacture of automotive and mobility components") to closer scrutiny, as this appears to be fundamentally applicable to PWO. However, the relevant FAQ document (C/2025/1373) from the EU Commission clarifies that this activity refers to higher-level components

such as electric motors and regenerative braking systems. PWO does not manufacture these. As a result, although many of our economic activities are in line with the EU's fundamental environmental objectives, we have no turnover-relevant Taxonomy-eligible economic activities to report for fiscal year 2025. A materiality assessment to determine whether the cumulative economic activities exceed 10.00% of PWO's total turnover is therefore not required.

In addition, PWO is required to publish specific information about economic activities related to fossil gas and nuclear energy. In 2025, as in previous years, PWO did not carry out any significant activities in this area. With reference to the simplifications arising from Delegated Regulation (EU) 2026/73, we are not providing a corresponding presentation in the form of a reporting form.

Assessment of Taxonomy eligibility and materiality of capital expenditure and operating expenses

To examine Taxonomy-eligible economic activities for PWO for the other 2 performance indicators (CapEx and OpEx), we screened and classified them based on the approach described above to determine whether the relevant activities fall under one of the activities defined in the Delegated Act. The activities identified in this process relate exclusively to the environmental objective of climate change mitigation (CCM).

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Economic activity under the EU Taxonomy		Description of PWO activity	KPI
CCM 6.5	Transport by motorbikes, passenger cars and light commercial vehicles	Car leasing (provision and use of cars) Bus rental (provision of a bus to pick up employees) Maintenance and operating costs for passenger cars	CapEx, OpEx
CCM 7.1	Construction of new buildings	Construction and erection of new production halls and expansion of existing buildings	CapEx
CCM 7.2	Renovation of existing buildings	Renovation of production halls and building conversions	CapEx
CCM 7.3	Installation, maintenance and repair of energy efficiency equipment	Measures to modernize building equipment (installation of LED lighting) Repair of heating systems, lighting, windows and air conditioning and heat recovery systems	CapEx, OpEx
CCM 7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Installation of charging stations and charging systems for electric cars	CapEx
CCM 7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Measures to improve energy management with regard to heating, air conditioning and ventilation Expansion of central climate control and sensors for lighting control	CapEx, OpEx
CCM 7.6	Installation, maintenance and repair of renewable energy technologies	Measures for heat recovery and the expansion of solar modules	CapEx

In order to assess whether the aforementioned economic activities cumulatively exceed the materiality threshold of 10.00% of the respective KPI specified in Delegated Regulation (EU) 2026/73, the relevant key figures are calculated as follows.

The CapEx KPI is calculated as the ratio of potentially Taxonomy-eligible and Taxonomy-aligned capital expenditure (numerator) to the PWO Group's total capital expenditure. The denominator is the total additions to property, plant and equipment and intangible assets as defined in Annex I of the Delegated Regulation on reporting requirements under the EU Taxonomy. These include capital expenditure that is recognized in accordance with IAS 16 "Property, Plant and Equipment" (para. 73 e, items (i) and (iii)), IAS 38 "Intangible assets" (para. 118 e, item (i)) and IFRS 16 "Leases" (para. 53 h).

The accounting and valuation methods used are described in note 5, "Summary of significant accounting policies," in the notes to the consolidated financial statements for fiscal year 2025. Explanations on the development of capital expenditure in the reporting period can be found in the chapter "Balance sheet disclosures," note 15, "Property, plant and equipment."

In fiscal year 2025, additions to property, plant and equipment and intangible assets in the PWO Group totaled EUR 41.35m. Of this amount, EUR 13.39m was attributable to potentially Taxonomy-eligible capital expenditure, corresponding to a share of 32.39%. This figure is above the defined materiality threshold of 10.00%.

The identified Taxonomy-eligible investment expenditure consists of several components. Of the economic activity 7.1, EUR 12.32m is attributable to the construction of new buildings or the extension of existing buildings. Other construction measures relate to the renovation of buildings and major conversions. Investment expenditure amounting to EUR 0.28m is attributable to economic activity 7.2.

Other capital expenditure attributable to economic activity 6.5 relates to assets from a right of use (EUR 0.52m), which mainly relate to the use and operation of company vehicles at several locations. The total investment amount was EUR 0.02m for the installation of charging stations for these vehicles. This investment expenditure was allocated to economic activity 7.4.

Furthermore, minor additions to property, plant and equipment in the amount of EUR 0.25m were recorded, relating to measures to modernize building equipment. In addition, there was capital expenditure to improve the energy management system, for heat recovery and for the expansion of solar modules. These activities were allocated to economic activities 7.3, 7.5 and 7.6.

As PWO did not generate any Taxonomy-eligible turnover within the meaning of the EU Taxonomy in the reporting period, there is also no turnover-related capital expenditure that serves to develop or expand Taxonomy-eligible activities. Accordingly, no CapEx is reported that is directly related to Taxonomy-eligible turnover.

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The share of Taxonomy-eligible capital expenditure thus totals 32.39% and is higher than in the previous reporting year (15.27%).

The OpEx KPI, in turn, is defined as Taxonomy-eligible and Taxonomy-aligned operating expenses (numerator) in relation to total operating expenses as defined by the EU Taxonomy (denominator). Total operating expenses comprise direct, non-capitalized expenses as defined in Annex I of the Delegated Regulation on reporting requirements under the EU Taxonomy. They consist of rental expenses, including small-ticket leasing, as well as maintenance costs and repair costs. These are included in other operating expenses in the PWO Group's consolidated income statement. The relevant accounting and accrual principles are presented in the notes to the consolidated financial statements for fiscal year 2025 in the section "Income statement disclosures," note 11.

In fiscal year 2025, operating expenses within the meaning of the EU Taxonomy totaling EUR 13.06m were recorded in the PWO Group. Of this amount, EUR 0.13m was attributable to potentially Taxonomy-eligible operating expenses. This corresponds to a share of 1.00% and is therefore below the materiality threshold of 10.00%.

As the threshold has not been exceeded, we are not conducting any further analysis of Taxonomy eligibility and alignment for operating expenses, including a breakdown of Taxonomy-aligned activities by environmental objective in % and a differentiation between enabling and transition activities. Accordingly, there will be no assessment of the technical screening criteria pursuant to Article 10, the negative impact on other environmental objectives ("do no significant harm" – DNSH) pursuant to Article 17 in relation to Article 9, or compliance with minimum social safeguards pursuant to Article 18.

Checking investment expenditure for Taxonomy alignment

Due to exceeding the materiality threshold of 10.00%, we are conducting a Taxonomy alignment check on capital expenditure. This audit process generally comprises the following 3 steps:

- / Examination of the technical screening criteria pursuant to Article 10
- / Assessment of negative impacts on other environmental objectives ("do no significant harm" – DNSH) in accordance with Article 17 in relation to Article 9
- / Compliance with minimum social safeguards in accordance with Article 18

The activities identified by PWO in the context of capital expenditure relate exclusively to the acquisition of production from Taxonomy-eligible economic activities. In order to assess the technical evaluation criteria, extensive product and material data is required, particularly in the building sector, which accounts for over 90% of our Taxonomy-eligible capital expenditure. This data would form the basis to perform analyses of, for example, overall energy efficiency, thermal integrity and life cycle greenhouse gas potential. As the corresponding capital expenditure was made in non-EU countries (Mexico, Canada, China, Serbia, USA), PWO does not have the necessary data. The suppliers commissioned by PWO were unable to provide the relevant documentation. One of the reasons for this is that suppliers from non-EU countries are not themselves subject to Taxonomy reporting requirements. Due to a lack of data availability, it was also not possible to obtain any documents or evidence from our suppliers in Germany and the Czech Republic that would have enabled a Taxonomy alignment check. As this circumstance already rules out possible Taxonomy alignment, we are not conducting any further checks for negative impacts on other environmental objectives and compliance with minimum social protection standards.

Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure for 2025

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Breakdown by environmental objectives of Taxonomy-aligned activities in %

KPI	Total in EURm	Proportion of Taxonomy-eligible activities in %	Taxonomy-aligned activities in EURm	Proportion of Taxonomy-aligned activities in %	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities in %	Proportion of transitional activities in %	Not assessed activities considered non-material in %	Taxonomy-aligned activities in 2024 in EURm	Proportion of Taxonomy-aligned activities in 2024 in %
Turnover	526.14	0	0	0	-	-	-	-	-	-	-	-	0	0	0
CapEx	41.35	32.39	0	0	-	-	-	-	-	-	-	-	0	0	0
OpEx	13.06	1.00	0	0	-	-	-	-	-	-	-	-	1.00	0	0

Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure for 2025

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Economic activities	Code	Taxonomy-eligible KPI (proportion of Taxonomy-eligible CapEx) in %	Taxonomy-aligned KPI (monetary value of CapEx) in EURm	Taxonomy aligned KPI (proportion of CapEx) in %	Environmental objective of Taxonomy-aligned activities in %							Proportion of Taxonomy-aligned or Taxonomy-eligible CapEx in %		
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity		Transitional activity	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1.26	0	0	-	-	-	-	-	-	-	-	-	0
Construction of new buildings	CCM 7.1	29.80	0	0	-	-	-	-	-	-	-	-	-	0
Renovation of existing buildings	CCM 7.2	0.68	0	0	-	-	-	-	-	-	-	-	-	0
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.40	0	0	-	-	-	-	-	-	-	-	-	0
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.04	0	0	-	-	-	-	-	-	-	-	-	0
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.17	0	0	-	-	-	-	-	-	-	-	-	0
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.04	0	0	-	-	-	-	-	-	-	-	-	0
Sum of alignment per objective					-	-	-	-	-	-	-	-	-	0
Total KPI (CapEx)		32.39	0	0	-	-	-	-	-	-	-	-	-	0

Proportion of OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure for 2025

Environmental objective of Taxonomy-aligned activities in %

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Economic activities	Code	Taxonomy-eligible KPI (proportion of Taxonomy-eligible OpEx) in %	Taxonomy-aligned KPI (monetary value of OpEx) in EURm	Taxonomy aligned KPI (proportion of OpEx) in %	Environmental objective of Taxonomy-aligned activities in %							Proportion of Taxonomy-aligned or Taxonomy-eligible OpEx in %		
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity		Transitional activity	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.73	0	0	-	-	-	-	-	-	-	-	-	0
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.19	0	0	-	-	-	-	-	-	-	-	-	0
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.07	0	0	-	-	-	-	-	-	-	-	-	0
Sum of alignment per objective					-	-	-	-	-	-	-	-	-	
Total KPI (OpEx)		1.00	0	0	-	-	-	-	-	-	-	-	-	0

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Investor relations contacts

JOCHEN LISCHER

CFO

Phone: + 49 7802 84-844

ir@pwo-group.com

CHARLOTTE FRENZEL

Corporate Communications & Investor Relations

Phone: + 49 7802 84-844

ir@pwo-group.com

LUKAS DAUCHER

Investor Relations & Accounting

Phone: + 49 7802 84-282

ir@pwo-group.com

Figures in this document are generally presented in EURm or EURk. Differences between individual figures and the actual amounts in EUR may arise from rounding. Such differences are not of a significant nature. The English translation of this document is provided for ease of understanding only. In the event of a difference in interpretation between the German and English texts, the German version shall prevail.

Pictures

PWO AG

Concept and Design

Berichtsmanufaktur GmbH, Hamburg

PWO AG

**INDUSTRIESTRASSE 8
77704 OBERKIRCH
GERMANY**

**PHONE +49 7802 84-0
INFO.DE@PWO-GROUP.COM
PWO-GROUP.COM**