



SUSTAINABILITY ▶▶▶ REPORT 2025

panki
RACING SYSTEMS

NON-FINANCIAL STATEMENT

This non-financial statement was prepared in accordance with the requirements of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) and the European Sustainability Reporting Standards (ESRS). The statement includes disclosures pursuant to the Taxonomy Regulation from the Omnibus Simplifications (EU) 2026/73, as well as information and key figures of Pankl Racing Systems AG based on the Taxonomy Regulation (EU) 2020/852. Reporting remains voluntary. During the voluntary audit of the non-financial statement of the parent company, Pierer Industrie AG, the disclosures of Pankl Racing Systems AG were also reviewed as an integral part.

The key topics of Pankl Racing Systems AG are addressed in more detail in the following chapters in accordance with the NaDiVeG:

- Environmental Information (environmental concerns): E1, E2 and E5;
- Social Information (social and employee issues, respect for human rights): S1 and S2;
- Governance Information (respect for human rights, combating corruption and bribery): G1.

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GENDER NOTE

For the sake of readability, gender-specific multiple mentions have been avoided. All personal designations apply to all genders.

Pankl Racing Systems AG is a leading international supplier to the racing, luxury automotive, and aerospace industries. With 2,115 highly qualified employees at 12 locations worldwide, the company develops, produces, and distributes high-precision individual components and complete system solutions. It serves a wide range of demanding markets, including motorsports, luxury automobiles, and aerospace. Reporting continues to be voluntary. However, due to the reporting requirements of the parent company, this non-financial statement complies with the ESRS requirements.

The values of Pankl Group are deeply embedded in the corporate culture and shape the actions of all employees worldwide. With a strong focus on teamwork and local responsibility, employees make a significant contribution to the company's success and dynamic development. Their professionalism, passion, and entrepreneurial spirit are the driving forces that enable Pankl Group to seize opportunities and drive targeted innovation. Excellent collaboration among employees, based on trust and mutual respect, forms the foundation of the company. The shared core values "High Tech, High Speed, High Quality" guide every aspect of our actions and are not only a promise to customers but also an internal drive for continuous improvement and excellence in all areas.

Pankl Group's vision is to develop market-leading technical systems that not only meet today's needs but also set the standards of the future. In a world characterized by rapid technological change, Pankl Group relies on continuous research and development to always secure a decisive technological advantage. The group strives to be the fastest in all areas of its business – be it product development, manufacturing, or the market launch of new innovations. This willingness to constantly improve and change is a central component of Pankl Group's corporate strategy and culture. Quality means not only perfection down to the smallest

detail, but also the pursuit of long-term, trusting relationships with customers, business partners, and colleagues.

The strategic direction focuses on securing and expanding its technological leadership. This will be achieved through the continuous expansion of the product portfolio and the utilization of synergies within the group. A particularly significant milestone in 2025 was the ongoing development of a decarbonization strategy in line with the Paris Climate Goals. This strategy is a clear expression of Pankl Group's commitment to making an active contribution to combating climate change and reducing its carbon emissions in the long term.

Sustainability is not only a central objective of Pankl Group, but also an integral component of all business processes. From purchasing to product development to production, resource conservation and environmental awareness are considered at every step. Pankl Group pursues a clear and ambitious target path to significantly reduce the company's carbon footprint while simultaneously advancing the development of its products. This includes, among other things, promoting energy efficiency, the transition to renewable energies, and the use of resource-saving processes and materials. In this respect, Pankl Group understands sustainability not only as an ecological responsibility, but also as the key to securing long-term competitiveness. At the same time, the implementation of these sustainable practices meets society's expectations for responsible business practices.



FOREWORD BY THE MANAGEMENT BOARD



Dear Stakeholders Ladies and Gentlemen

With this sustainability report, we would like to provide you with a comprehensive overview of Pankl Group's progress and challenges around sustainability in 2025. As a leading international supplier of components for racing, the automotive industry, and aerospace, it is a matter of course for us to also assume responsibility regarding ecological and social concerns. Sustainability is an integral part of our corporate strategy and is closely linked to our technological and economic goals.

The year 2025 was characterized by a challenging environment. The weak economy in Europe, rising costs, and uncertainties in the market environment weighed on the whole industry. Further repercussions resulted from the developments surrounding the restructuring proceedings of KTM AG. Nevertheless, we were able to conclude the fiscal year with a solid overall result. The performance of our earnings and cash flow confirms the effectiveness of our measures and the robust position of Pankl Group.

At the same time, we have consistently pursued our sustainability agenda. A key focus has been on further developing our decarbonization strategy for the long-term reduction of carbon emissions. In addition, we are continuously working to increase resource efficiency, drive sustainable innovation, and fulfill our responsibility along the entire value chain. We understand sustainability as a long-term process that is firmly anchored in our operational and strategic decisions.

Structurally, we are also continuously working on the further development of Pankl Group. In this context, a change in shareholders will take place in the coming fiscal year to secure the strategic development, long-term stability, and growth opportunities of the company.

For the fiscal year 2026, we expect a generally stable market environment but remain cautious considering the existing uncertainties. Our broad portfolio, strong position in selected markets, and the continuous development of our strategy provide a solid foundation for focused pursuing of opportunities and active management of risks.

We would like to thank all our employees for their commitment and our stakeholders for their excellent cooperation. We look forward to continuing to engage with you in the future and thank you for your interest in our sustainability work.

Kapfenberg, in May 2026
The Management Board of Pankl Racing Systems AG

Wolfgang Plasser

Christoph Prattes

Stefan Seidel

KEY FIGURES OF PANKL GROUP

EURk		2025	2024
	Revenues	357,619	379,523
	EBITDA	37,428	45,973
	EBITDA margin in %	10.5	12.1
	EBIT	8,274	15,148
	EBIT margin in %	2.3	4.0
	Shareholders' equity	142,863	149,217
	Shareholders' equity in % of total assets	41.3	39.8
	Operating free cash flow	21,814	20,176
	in % of revenues	6.1	5.3
	Net debt	-117,890	-127,130
	Capital expenditure	21,112	26,569
	in % of revenues	6.0	7.0
	Working Capital Employed	119,062	127,574
	in % of revenues	33.3	33.6
	ROCE in %	3.0	5.2

ESRS 2 - GENERAL DISCLOSURES

Since its founding in 1985, Pankl Racing Systems AG (hereinafter referred to as the "Pankl Group") has been a technological pioneer in the mobility industry. The company develops and produces high-tech chassis, engine, and drivetrain components for motorsport, the high-end automotive industry, and aerospace. With over 2,115 employees worldwide, including approximately 1,500 in Austria, Pankl has established itself as a key supplier in its global niche markets.

BASIS FOR THE PREPARATION

BP-1 – General Principles for Preparing the Sustainability Statement

Pankl Group's 2025 Non-Financial Statement was prepared on a consolidated basis and includes the same scope of consolidation as the 2025 Consolidated Financial Statements. The report focuses on the activities of the entire Pankl Group. Where necessary or for better comprehensibility, relevant information along the upstream and downstream value chain is added. Pankl Group's dual materiality analysis covered the entire value chain, with particular attention to direct business partners. Detailed information on the value chain as well as on disclosed concepts, measures, and key performance indicators can be found in the respective topic chapters of the declaration.

While every effort was made to ensure the most complete presentation possible, particularly regarding the company's own business activities, the completeness of the qualitative information cannot be guaranteed without reservation, particularly regarding future developments and company-specific know-how.

The European Sustainability Reporting Standards (ESRS) were applied on a voluntary basis, based on the legal situation in Austria applicable at the time the report was prepared.

BP-2 – Information Related to Specific Circumstances

Estimates and uncertainties of results

In compiling the non-financial statement, the Group paid attention to the completeness and accuracy of the data provided. Where possible, it used primary data to calculate quantitative disclosures relating to its own business activities. Due to the limited availability of data in the upstream and downstream value chain and its high complexity, it was often not possible to use primary data for the analyses described in the topic standards. Consequently, some assumptions and estimates were made, such as for Scope 3 GHG emissions. Further information on the calculation and estimation of the disclosures, as well as their certainty, can be found in conjunction with the disclosed data in the sections on valuation principles and assumptions.

Changes in the preparation or presentation of sustainability information

This statement includes, for the first time, prior-year figures for the ESRS indicators. Simplifications were applied to reporting under the EU Taxonomy Regulation following the adoption of the delegated act simplifying the reporting of EU Taxonomy Regulation (EU) 2026/73. The application of the materiality concept regarding the de minimis threshold is described in the chapter on the "EU Taxonomy".

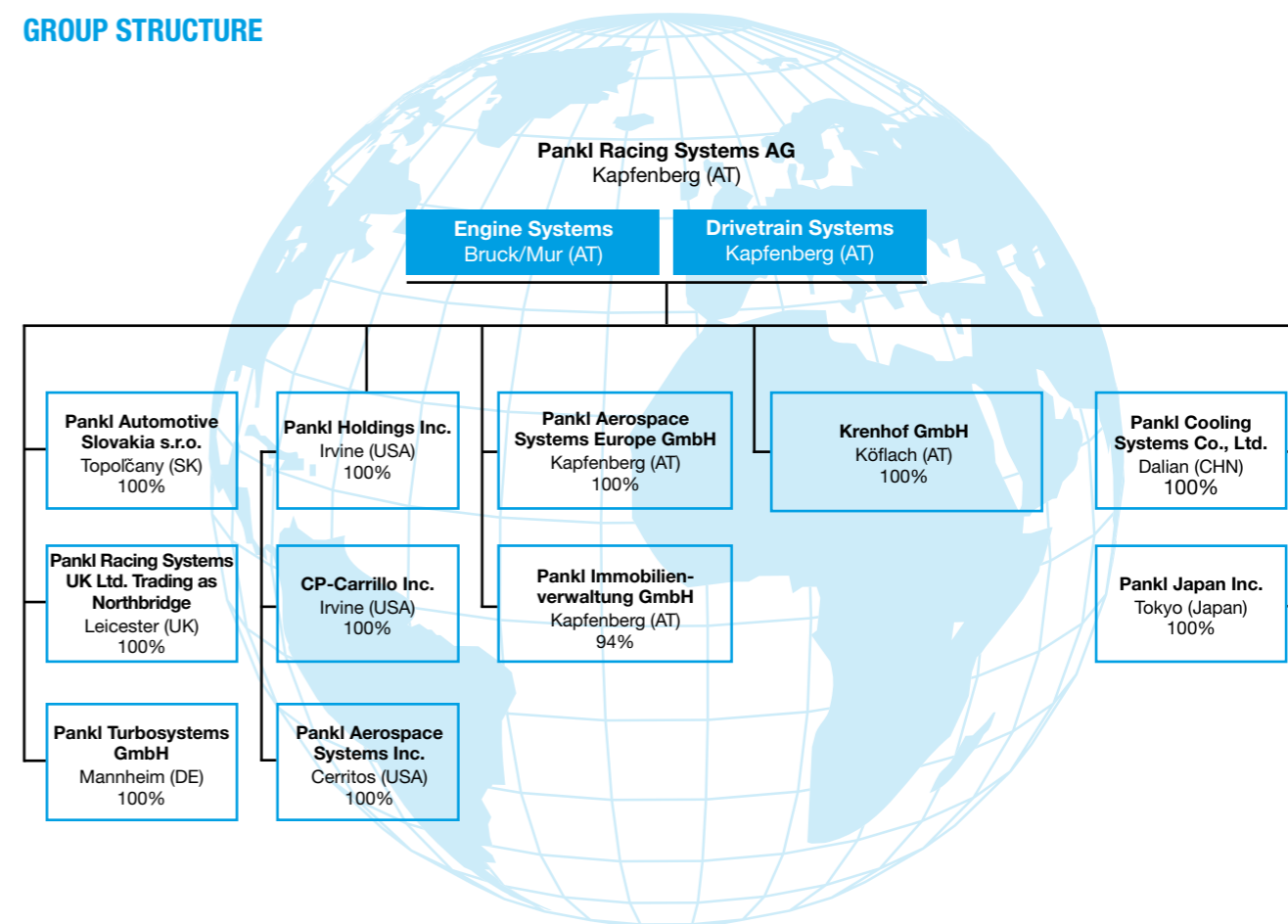
General notes regarding the disclosed key ratios and information

The key figures disclosed in this report have not been validated by any external body (except for the audit conducted as part of the voluntary review of the non-financial statement of Pierer Industrie AG).

The consumption and emission figures for the manufactured components used to determine Scope 3.01 GHG emissions are based on internally calculated data. For further information, see E1-6 and the description of the calculation principles and assumptions in relation to ESRS E1. The MDR-A requirements according to ESRS 2 were only fully implemented for essential measures.

The entire product development process – from the initial product idea, design process, engineering and development, collaboration with suppliers, and the procurement of materials and manufacturing of drivetrain, chassis, and engine components, as well as aerospace components, to packaging and shipping – is covered by an integrated management system according to ISO 9001:2015 and ISO 14001:2015 and controlled by the quality and process management system. The scope of ISO 9001:2015 certification covers the production sites of Pankl Racing Systems AG in Austria, Germany, Slovakia, United Kingdom, China, and the Cerritos site in the USA. The scope of ISO 14001:2015 certification for Pankl Racing Systems AG includes, in addition to the sites in Austria, the production facilities in Slovakia, China, and the USA. Furthermore, the group holds the following certifications at various locations: IATF 16949, TISAX, VDA 6.1, EN 9100, Nadcap, Part 21J, Part 21G.

GROUP STRUCTURE



GOVERNANCE

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


Pankl Racing Systems AG is a stock corporation under Austrian law. This legal form provides for a dual system, i.e., the separation of management (Management Board) and control (Supervisory Board) at the corporate level. As of 31 December 2025, the Management Board consisted of Wolfgang Plasser (CEO), Christoph Prattes (COO), and Stefan Seidel (CTO); the Supervisory Board comprised four members. Neither body has any representation of employees or other workers. Cooperation between the Management Board and the Supervisory Board takes place at regular intervals and is based on open and transparent discussion.

The Management Board of Pankl AG is responsible for managing the company in accordance with the company's best interests, considering the interests of shareholders and employees, as well as the public interest. Management Board members are appointed by the Supervisory Board.


The Supervisory Board is responsible for monitoring the management of the company. For certain business transactions specified in the Austrian Stock Corporation Act (AktG), the Articles of Association, and the Rules of Procedure, the Management Board must obtain the approval of the Supervisory Board.

Per 31 December 2025, Management Board and Supervisory Board were constituted as follows:


Management Board



CEO
Wolfgang Plasser
 was born in Upper Austria in 1962 and has been a member of the Management Board of Pankl Racing Systems AG since 2004.



CTO
Stefan Seidel
 was born in Graz in 1976 and has been a member of the Management Board of Pankl Racing Systems AG since 2015.



COO
Christoph Prattes
 was born in Graz in 1976 and has been a member of the Management Board of Pankl Racing Systems AG since 2015.

Supervisory Board



Stefan Pierer
 Chairman of the Supervisory Board
 First elected on 5 October 2018
 End of current term: 2027



Klaus Rinnerberger
 Deputy Chairman of the Supervisory Board
 First elected on 1 July 2020
 End of current term: 2027



Josef Blazicek
 Member of the Supervisory Board
 First elected on 17 September 2018
 End of current term: 2027



Friedrich Roithner
 Member of the Supervisory Board
 First elected on 17 September 2018
 End of current term: 2027

Composition and Diversity

Management Board

Selection criteria for members of the Management Board are professional qualifications, leadership qualities and previous achievements as well as knowledge of Pankl Group companies.

Age and gender are irrelevant in the decision regarding appointments to the Management Board and do not lead to any preferential treatment or discrimination in the selection process. As of 31 December 2025, the members of the Management Board were exclusively male (female share: 0%) and were born between 1962 and 1976. All members of the Management Board and the Supervisory Board are Austrian citizens.

Supervisory Board

The Supervisory Board is staffed with professionally and personally qualified individuals. Other aspects of Supervisory Board diversity are not considered. There are no women on the Supervisory Board.

Channels for Managing Sustainability Aspects

A Sustainability Steering Committee (SSC) was established at Pankl Racing Systems AG in the 2024 fiscal year. Its responsibilities include managing and coordinating sustainability activities from a group perspective.

GOV-2 – Information and Sustainability Aspects which are Addressed by the Company's Administrative, Management, and Supervisory Bodies

The management board members are responsible for the conception, implementation, and monitoring of sustainability commitments. The results of the materiality analysis for the 2025 reporting year were reviewed and acknowledged at a management board meeting.

The sustainability department reports to the respective management board members in regularly held coordination meetings. In these meetings, risks are explained in detail to the management board, and corresponding measures are

presented. The management board then approves these measures. In addition, a quarterly co-ordination meeting is held specifically for environmental issues, in which current topics are addressed in a concise manner in collaboration with the specialist departments. Representatives from the affected and responsible departments, as well as members of the management board, participate in these meetings. ESG risks are integrated into risk management and internal control processes.

GOV-3 – Consideration of Sustainability-related Performance in Incentive Systems

The variable compensation of the Management Board considers only financial indicators (thus, no specific sustainability-related targets and / or impacts). The Supervisory Board considers these compensation arrangements appropriate for the Management Board of Pankl Group as an investment holding company. Rather, the Supervisory Board assumes a holistic approach by the Management Board, in which non-financial concerns are inherent to long-term, successful corporate management, ensuring the company's continued existence and the future viability of the business model.

Supervisory Board remuneration consists exclusively of an attendance fee for Supervisory Board meetings. To ensure impartial monitoring of management by the Supervisory Board, its members are not granted any variable remuneration.

GOV-4 – Statement on Due Diligence

The following table shows the main steps of the due diligence procedures described in this non-financial statement.

Core elements of due diligence	Sections in the non-financial statement	
a) Inclusion of due diligence in governance, strategy, and business model	ESRS 2 GOV-2:	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
	ESRS 2 GOV-2:	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	ESRS 2 SBM-2:	Interests and views of stakeholders
	ESRS 2 IRO-1:	Description of the process to identify and assess material impacts, risks, and opportunities
	ESRS 2 MDR-P:	Policies adopted to manage material sustainability matters
b) Involvement of affected stakeholders in all important due diligence steps	ESRS S1-2:	Processes for engaging with own workers and workers' representatives about impacts
	ESRS S1-3:	Processes to remediate negative impacts and channels for own workers to raise concerns
	ESRS S2-2:	Processes for engaging with value chain workers about impacts
	ESRS S2-3:	Processes to remediate negative impacts and channels for value chain workers to raise concerns
	ESRS G1-1:	Business conduct policies and corporate culture for corporate management
	ESRS G1-3:	Prevention and detection of corruption and bribery
c) Identification and assessment of negative impacts	ESRS 2 SBM-3:	Material impacts, risks and opportunities and their interaction with strategy and business model
	ESRS 2 IRO-1:	Description of the process to identify and assess material impacts, risks and opportunities
	ESRS S2-4:	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers and, effectiveness of those actions
d) Measures to deal with negative impacts	„Management of impacts, risks, and opportunities“ – sections in the individual chapters on the topic-related standards	
e) Tracking the effectiveness of these efforts and communication	„Key figures and targets“ – sections in the individual chapters on the topic-related standards	

GOV-5 – Risk Management and Internal Controls over Sustainability Reporting

In the fiscal year 2025, the rollout of a standardized and integrated risk management system was gradually advanced. As a first step, risks, impacts, and opportunities were collected, adapted, supplemented, and assessed in collaboration with the respective departments. This also facilitated the integration of risks from non-financial reporting, as corresponding risk assessment was conducted within the ESG management framework. The resulting findings were directly incorporated into the materiality assessment.

The sustainability team at Pankl Racing Systems AG has been established for several years. Due to the large number of departments involved in preparing the non-financial statement, pooling expertise and responsibilities in sustainability management is crucial for supporting these departments and ensuring accurate data consolidation.

The key risks associated with ESG data collection have been clearly identified. These include incorrect data transmission from foreign locations, delayed data entry, estimated values, missing supplier data, and missing supporting documentation. They also include potential

misunderstandings regarding the CSRD reporting requirements.

To mitigate these risks, a central software solution is used group-wide. This solution clearly defines the responsibilities of data controllers, specifies the review and approval process by authorized personnel (members of the sustainability management team), and provides seamless documentation via an integrated audit trail. Data is submitted by defined departments, which also upload corresponding supporting documents to the system. Based on this information and the audit trail, the sustainability management team conducts a content review. In case of ambiguities or discrepancies, the data providers are consulted before final approval can be granted in the system. A four-eyes principle further ensures the traceability of the submitted raw data. In parallel, the software solution also performs an annual comparison for plausibility checks. After system consolidation, the ESG data is presented to the management board, thus ensuring traceability, transparency, and governance throughout the entire data collection and approval process.



STRATEGY

Strategic decisions are made and actions taken at group level.

SBM-1 – Strategy, Business Model and Value Chain

Pankl Racing Systems AG's main product groups encompass both high-precision individual components and complete systems for the automotive and aerospace industries. Development and production are focused on the motorsport, luxury automotive, aerospace, motorcycle, and industrial application markets. There have been no changes to either the main product groups or the markets served.

Component manufacturing sites are located in Austria, Germany, Slovakia, United Kingdom, USA, and China. As of 31 December 2025, Pankl Group employed 2,115 people, 1,737 of whom were in Europe. The exact distribution of employees by country is shown in section S1-6.

VALUE CHAIN

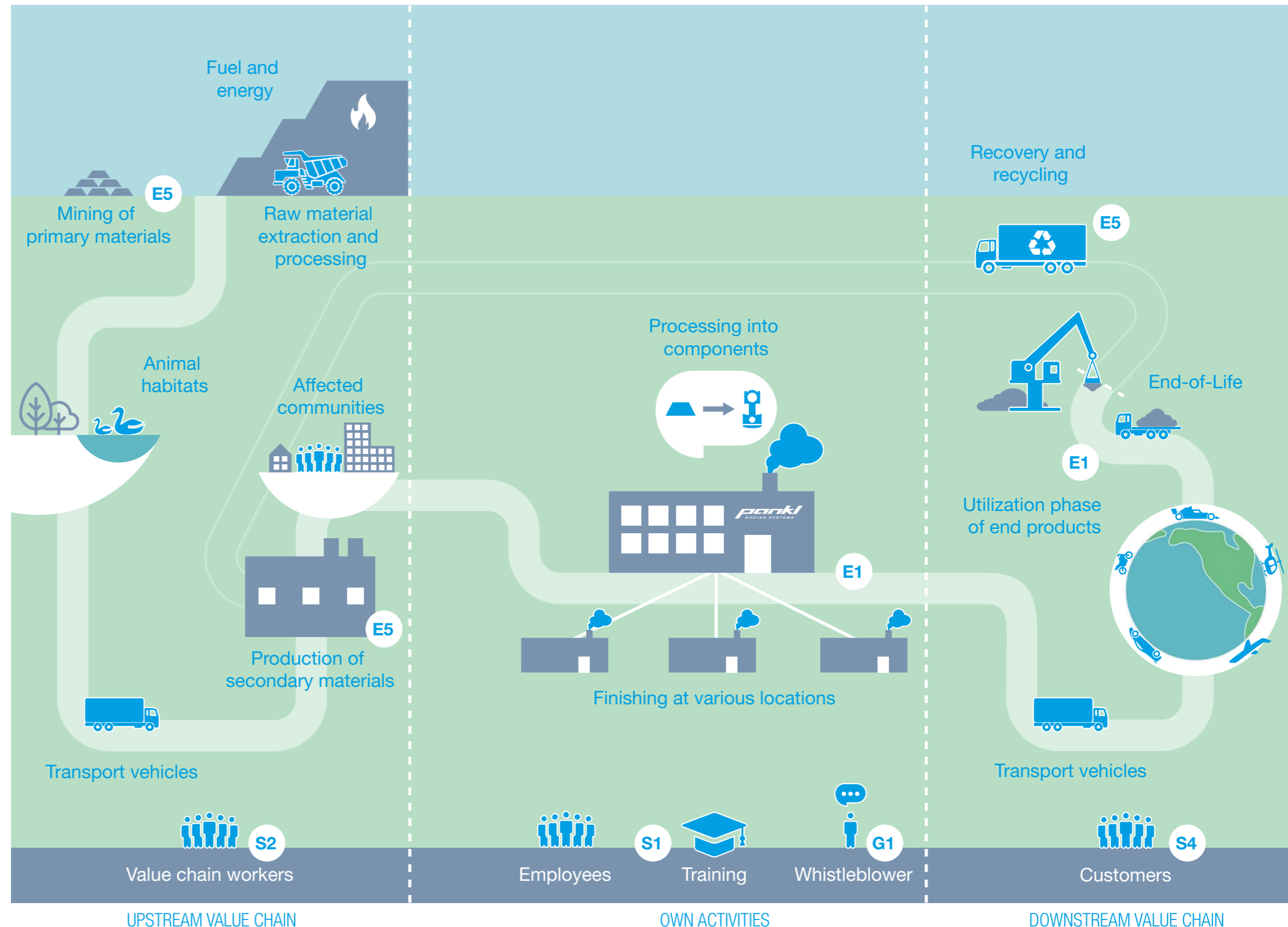
The value chains of the subsidiaries are globally structured and widely branched. Key input parameters include raw materials, materials, and semi-finished parts for e.g. the manufacture and assembly of drivetrain components within Pankl Group. The purchased goods are largely made of aluminum, steel, and titanium. Reusable racks, cardboard boxes, and wire mesh crates are often used for packaging and shipping. Further information on material flows can be found in Section E5-4. Due to the complexity of the upstream value chains, it is difficult to trace the purchased goods back to their origin. However, key process steps in the upstream value chain are the extraction of raw materials and their processing into primary and secondary products, as well as transport and storage processes. Furthermore, the reprocessing of end-of-life products and their return to the cycle are part of the upstream and downstream value chains of the products.

A large portion of the purchasing volume at the Austrian locations comes from Europe. As a Tier 1 supplier, Pankl Group works closely with its long-standing partners.

Pankl Group offers its customers, investors, and stakeholders benefits in the following areas:

- Manufacture and distribution of drivetrain, engine, and chassis components, as well as aerospace components
- Workplaces with high safety standards
- Employee benefits

In 2025, Pankl Group generated the largest share of its revenue in the high-performance / racing segment, which is why this sustainability report focuses on component manufacturing. Pankl Group's largest sales markets are the USA and Europe. No significant changes were observed in this regard during the 2025 fiscal year. At the end of their life cycle, the products are expected to be dismantled or recycled. Individual raw materials, such as metals, can then be reintroduced into the material cycle.



SUSTAINABILITY POSITIONING

In the fiscal year 2024, a group-wide decarbonization strategy was established. This strategy was further developed in the fiscal year 2025, incorporating the upstream and downstream value chain, and supplemented with key financial figures. It encompasses the company's global locations and greenhouse gas emissions across all three scopes of the Greenhouse Gas Protocol (GHG Protocol). Due to the complex, sometimes multi-stage, and globally widespread upstream and downstream value chain, far-reaching impacts on business activities can be expected from a geographical perspective. The strategy is described in E1-1. Measures to reduce emissions have already been implemented. For example, various energy efficiency measures have been implemented at production sites. The measures from 2025 are described in more detail in E1-3. Further sustainability risks and opportunities are addressed in the sections on SBM-3 in the relevant standards.

SBM-2 – Interests and Views of Stakeholders

Due to the presence of products from the various business divisions, Pankl Group has diverse stakeholder groups on the global market, whose interests and views are considered as balanced as possible. The group always strives to maintain a continuous dialogue with its stakeholders.

The sustainability-related results of the stakeholder dialogue are incorporated into the group's business processes and the dual materiality analysis, as well as discussed in coordination meetings described in GOV-1 and GOV-2.

The insights gained from stakeholder engagement feed into management decisions and serve as a guide for their actions. This leads to measures such as the long-term preservation of jobs, which underscores the group's role and reputation as an attractive and one of the largest employers in the region; the gradual reduction of emissions, particularly in Scope 3, which marks the next steps in developing a decarbonization strategy; and proper and transparent governance of business relationships in the global markets where the group operates.

In its Code of Conduct (see G1-1), Pankl Group sets out principles for fair, trusting, and respectful cooperation and for the observance of human rights for itself and its business partners. The scope of the Code of Conduct therefore also includes the upstream and downstream value chain and is intended to contribute to the protection of workers in the value chain. The interests and viewpoints of workers in the value chain are indirectly considered through the Value Chain Risk Analysis. Furthermore, they can report their concerns via the respective whistleblower system or the Group's Compliance Reporting Office. Further information on workers in the value chain can be found in section ESRS S2.

Major stakeholders	Inclusion	Purpose	Results
Employees and their representatives	Employee interviews, training, staff meetings, employee representatives, information events, written and verbal business correspondence, intranet, social media	The Group values the interests of its employees and strives to implement them within the framework of economic efficiency. Compliance with human and labor rights is always a top priority and is considered in all processes.	Through this involvement, employees and their representatives can learn about current developments and contribute their knowledge. Employee representatives are always involved in far-reaching decisions to ensure the best possible consideration of employee interests.
Suppliers	Trade fairs, online tools, written and verbal business correspondence, supplier visits	Suppliers form a key pillar of the group's daily business. Regular communication supports them and ensures that the group's requirements are implemented. Suppliers also form the interface to the upstream value chain.	Through dialogue with suppliers, long-term business relationships can be established. Where possible, a local procurement strategy is pursued.
Customers	Trade fairs, product presentations, written and verbal business correspondence, customer visits	Customers represent another important pillar of our daily business. Regular communication ensures that requirements are implemented. Suppliers also form the interface to the downstream value chain. Their interests flow into product and quality management, among other things, and thus into the business models of the other sub-groups.	Through dialogue with customers, long-term business relationships can be built. These are particularly crucial in the design process.
Politics, networks and associations	Company representatives in networks and associations	The group is represented in various networks and associations to ensure the exchange of experience with other companies and organizations. The goal is to promote mutual exchange of know-how and the utilization of synergies.	Management Board representation in the management advisory board of the DELTA Academy of the Montanuniversität, Tourism Association of Upper Styria, AC Styria, the Industry Federation, and the Austrian Society for Metallurgy and Materials (ASMET).
Municipalities, cities and public administration	Permits, construction work, written and oral business correspondence	Cooperation with municipalities and cities is important due to the approval processes of various projects.	Projects are discussed early on in regular meetings to incorporate any necessary adjustments into the planning process. Coordination sessions are also useful for ensuring the necessary infrastructure for the company and its employees.

ESG-Ratings

ESG ratings are used to assess the sustainability performance of companies or institutions by considering their exposure to ESG risks and their impacts on social and ecological environments. The scores in the table below show how Pankl Group is rated for its sustainability performance by various ESG rating agencies (the assessment was based on data from the 2023 fiscal year).

Ratings	Division	Score	Update
EcoVadis	Pankl Racing Systems AG	55	13 January 2025
EcoVadis	Pankl Aerospace Systems Europe GmbH	61	20 August 2024
CDP	Pankl Racing Systems AG	B	5 February 2025

SBM-3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

As part of the dual materiality analysis, 21 IROs were identified as material. They are described and reported in more detail in this non-financial statement. For ease of readability, the IROs are presented in more detail in the respective ESRS chapters.

The identified IROs are largely covered by the ESRS disclosure requirements. No IROs were identified that were presented exclusively using company-specific disclosures.



The following IROs were assessed as material in the dual materiality analysis:

ESRS	Topic	IRO #	IRO	Affects primarily		IRO-type & time horizon			Handling	
				(OO)	(VC)					
E1 Climate Change	Climate change adaptation	01	Extreme weather-related infrastructure risks	☑		R	pot	I	Physical risk; establishment of infrastructure projects	
	Climate change mitigation	02	Negative impacts from GHG emissions from own business activities	☑	☑	nl	pot	m	Establishment of climate change mitigation measures in our own activities and along the supply chain	
		03	Negative impacts of GHG emissions along the value chain		☑	nl	pot	m/l		
		04	Financial risk due to rising carbon prices resulting from regulatory requirements	☑	☑	R	pot	s/m	Integration of measures into long-term budget planning	
	Energy	Energy consumption of fossil fuels	05	Energy consumption of fossil fuels	☑		nl	act	I	Reducing energy consumption and expanding renewable energies
			06	Generation and use of renewable energies at various locations	☑		nl	act	I	
		07	Dependence on a reliable energy supply for production and assembly activities	☑		R	pot	s/m	Transition risk Multiple sourcing and promoting independence through renewable energy supply	
E5 Resource Use and Circular Economy	Resource inflows and use	08	Consumption of primary and secondary materials in production processes	☑	☑	nl	act	s/m	Recycling metals into the cycle	
		09	Risk of delays in the supply chain and limited material availability	☑	☑	R	pot	s/m	Material independence and supplier diversity	
	Resource outflows related to products and services / waste	10	Long-term commitment of resources in products with limited recycling	☑	☑	nl	pot	s/m	Promotion of circular economy	
		11	Development of durable products	☑	☑	pl	act	I		
		12	Waste generation (non-hazardous and hazardous) from production processes	☑	☑	nl	act	s/m		

ESRS	Topic	IRO #	IRO	Affects primarily		IRO-type & time horizon			Handling
				(OO)	(VC)				
S1 Own Workforce	Secure employment	13	Positive impact (on collective bargaining) due to collective bargaining agreements change at the Austrian locations	☑		pl	act	s/m	Improving working conditions (Collective bargaining agreement change in Austria, deriving safety measures and preventing accidents, offering training, fair salaries – lower adjusted GPG)
	Health and safety	14	Occurrence of (serious) workplace accidents in production	☑		nl	pot	s/m	
	Further education and skills development	15	Securing future prospects and skills development of employees through further training opportunities	☑		pl	act	m/l	
	Fair treatment and equal opportunities for all	16	Gender inequalities (in pay) and leadership positions	☑		nl	pot	s/m	
	Data protection	17	Risk of data loss or data misuse	☑		nl	pot	s/m/l	
S2 Workers in the Value Chain	Working conditions, employment-related rights	18	Potentially poor working conditions and violations of other labor-related rights in certain sectors of the upstream value chain		☑	nl	pot	s/m/l	Contractual terms with direct business partners and minimum requirements regarding ESG performance, especially for suppliers
G1 Business Conduct	Corporate culture	19	Promoting a responsible corporate culture (including whistleblowing and IT security)	☑	☑	pl	act	s/m/l	Awareness raising, transparency
	Managing supplier relationships, including payment practices	20	Long-term supplier partnerships	☑	☑	pl	pot	m/l	Supplier relationships and long-term contracts, security
	Corruption and bribery – prevention and detection including training & incidents	21	Risk of corruption and bribery incidents and related measures for prevention and detection	☑	☑	R	pot	s/m/l	

The identified material IROs are indirectly incorporated into the corporate strategy and business model. Further information on managing material IROs at the administrative and management levels can be found in sections GOV-1 and GOV-2. To date, no material changes to the business model have been implemented because of the IROs. The impact of material risks and opportunities on the business model is assessed by risk management (from the relevant departments), among other methods, through scenario analysis (e.g., climate risk and vulnerability analysis). These analyses focused on the short-term horizon. For risks and opportunities with a long-term impact, a supplementary (partial) analysis of long-term effects on the business model was also conducted. The respective impact of each risk and opportunity on the business model, as well as how these are managed and their material effects, are described in the chapters on the relevant standards. For information on general corporate strategy and resilience, please refer to sections BP-2 and SBM-1.

Furthermore, (potential) climate-related impacts on the consolidated financial statements are evaluated. As stated in Note 6, "Climate-related Disclosures," climate-related factors are considered, among other things, when assessing the recoverability of assets.

Changes to the Non-financial Statement

In the fiscal year 2025, the following significant changes occurred regarding key topics and IROs compared to the previous year:

- New environmental risks were identified for climate change adaptation and mitigation;
- Positive impacts on working conditions and supplier relationship management were identified;
- Whistleblowing and IT / cybersecurity were integrated into the corporate culture.

The materiality analysis is reviewed annually for relevance and adjusted as necessary. The underlying stakeholder engagement (such as focus group interviews) for determining the IROs is planned for the fiscal year 2027. This frequency can be shortened if required.



MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

The management of impacts, risks and opportunities takes place at the group level.

IRO-1 – Description of the Process for Identifying and Assessing Significant Impacts, Risks, and Opportunities

Context analysis & identification of IROs

As part of the context analysis, the first step involves creating a general overview at site level. This includes the best possible evaluation of upstream and downstream value chains, as well as a screening of the company's own activities and locations regarding potential IROs. Furthermore, analyses of peer groups and the requirements of sector-specific industry standards are conducted, along with a site analysis that addresses ESRS standards E2, E3, and E4. Stakeholder engagement (e.g., employees, communities, suppliers) is also an essential component of the context analysis. However, this is only pursued every two years and last took place in 2024 in the form of questionnaires, focus interviews, and expert discussions. In the fiscal year 2025, the previous year's data was reviewed for accuracy and completeness by internal experts. Publicly available studies and analyses were consulted for plausibility checks. The context analysis concluded with an initial selection of topics and IROs related to the business model.

To identify material issues, an update to the dual materiality analysis was conducted in 2025. The process was based on the approach used in the previous year and was divided into inside-out and outside-in perspectives. Combining these perspectives ensured that interactions between physical, regulatory, and reputational factors were considered. Since the fiscal year 2025, the dual materiality analysis process has been implemented in the same software solution used to record other key performance indicators for reporting. The IRO Assistant (AI-assisted) was used to identify the IROs, based on the ESRS 1 AR 16 Long List. This assistant helps generate IROs and provides initial indications of potentially relevant IROs, taking location and business activities into account. The IROs that emerged as relevant from the longlist were included in the ESG risk analysis carried out in the fiscal year 2025.

Evaluation of IROs

The ESG risk analysis forms the basis for the assessment of material issues. This analysis identified both impacts and risks. These collected issues were then assessed by the sustainability management team, in collaboration with the relevant departments, based on probability of occurrence, time horizon, severity of impacts, and measures already implemented, transforming a gross risk assessment into a net risk assessment. Where possible, qualitative and quantitative indicators were defined or existing key performance indicators were used to appropriately model scenarios. In the case of positive IROs, the reversibility criterion was omitted without replacement. For actual impacts or impacts relating to human rights, a probability of 100% was assumed. For categorization as material, it was sufficient if the issue exceeded the materiality threshold from either an inside-out or outside-in perspective. Opportunities were largely identified and assessed using software solutions or as part of the ESG risk analysis.

Major topics

The ESG risk analysis forms the basis for the assessment of material issues. As part of this analysis, the gradual implementation of the data collection process and the rollout of a risk management system were advanced and implemented starting in fiscal year 2025. The results of the materiality analysis were validated by sustainability management and discussed in the Sustainability Steering Committee (SSC). The control procedures described in GOV-5 – in particular plausibility checks and coordination with the specialist departments – were also applied to the dual materiality analysis.



Additions due to the Topic-related Requirements for the Materiality Analysis

E1- Climate change

As a manufacturer of drivetrain, engine, and chassis components, as well as aerospace components installed in motor vehicles and aircraft, Pankl Group contributes to climate change through its greenhouse gas emissions. A large portion of GHG emissions arise in the upstream value chain - specifically, through the purchase of raw materials for component manufacturing (Scope 3.01 of the GHG Protocol). When assessing the materiality of GHG emissions, the greenhouse gas balance of previous years was considered, thus enabling primary emission drivers to be identified. Further information on the current GHG balance can be found in Section E1-6. Furthermore, external factors such as social and regulatory changes were considered. The determination of climate-related physical risks was based on the site-level climate risk and vulnerability analysis updated in the 2025 fiscal year. A special software solution was used to analyze the physical climate-related impacts on the company (chronic and acute). The group's production-relevant sites were examined for their current and future exposure to physical climate risks. The periods up to 2030 and 2060, as well as the climate scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5, were considered. The time horizons and climate scenarios were selected based on external factors, such as binding requirements in regulations or contracts. They also allow a broader view of potential risks, as marginal positions are considered. The climate scenarios are defined as follows:

- **SSP1-2.6:** Achieving net-zero emissions by 2070
- **SSP2-4.5:** No change in carbon emissions by mid-century compared to current emission intensity
- **SSP5-8.5:** Doubling of carbon emissions by 2050

The analysis evaluated potential exposure and existing mitigation measures. Impacts and mitigation measures were assigned to all identified physical climate risks. The mitigation measures significantly reduce the impacts of climate risks, so no further action is required for the time being. As stated in GOV-5, Pankl Group carried out full implementation into risk management; however, an assessment of climate-related transition risks and opportunities was conducted both as part of the climate risk and vulnerability analysis and during the development of the decarbonization strategy. Further information on the Pankl Group's decarbonization strategy can be found in E1-1.

E2 – Pollution

In assessing the impacts of IROs related to environmental pollution, the effects were considered regardless of the presence of waste management systems. Within Pankl Group, an updated and supplementary assessment of the hazardous materials used in the workplace and in operations was conducted in the fiscal year 2024, based on safety data sheets. This approach was essentially continued in the fiscal year 2025. Both the Status of Hazard (SoH) and SVHC-relevant properties were systematically evaluated. Preventive measures designed to prevent the release of these substances were examined, involving various specialist departments. The analysis focused on the production sites in Kapfenberg and Bruck upon Mur. Furthermore, production sites were categorized as either mechanical manufacturing or forging operations to assess their compliance with regulations concerning non-greenhouse gas pollutants. Mechanical manufacturing operations were considered insignificant for this analysis. The forging sites in Köflach and Kapfenberg were subjected to a more in-depth analysis due to their economic activities. The assessment analyzed potential impacts on both water and air quality.

Compliance with legal emission limits, the scope of certification, and affected protected areas were considered. The investigations revealed that all sites already have comprehensive protective measures in place to prevent negative environmental impacts. Local communities were not consulted.

E3 – Water and Marine Resources

A database-supported site analysis regarding potential water risks was conducted. For sites in areas with elevated water risk, their water management was analyzed, considering the activities at the site. For Pankl Group, the sites in the USA and China were analyzed in more detail due to their proximity to the sea. In both cases, water consumption is low and limited to sanitary purposes and the use of cooling and lubricating emulsions. No water-intensive processes are present. The Köflach site was also subjected to a detailed review due to its proximity to flowing waters. Extensive technical and organizational safeguards are in place to prevent potential environmental impacts. Based on the implemented precautionary measures, all of the aforementioned sites were classified as having no significant risks. Local communities were not consulted. No significant IROs related to water and marine resources were identified.

E4 – Biodiversity and Ecosystems

The assessment of the impacts on biodiversity and ecosystems was based on a data-driven site analysis, which utilized several databases and aimed to identify locations near particularly sensitive environmental areas. The site in Topolčany, located in the immediate vicinity of



ecologically sensitive areas, was identified and subjected to more detailed analysis. The production site is situated in an already developed industrial or commercial zone. Due to the nature of the economic activity, there is no direct impact on ecosystems.

E5 – Resource Use and Circular Economy

To identify significant IROs related to resource use and the circular economy, Pankl Group examined its various business activities and resource inflows and outflows compared to the previous year.

For resource inflows, the inflows of raw materials were identified as relevant. The components are also relevant regarding resource outflows and the circular economy. In the fiscal year 2025, the sites procured various raw materials, including steel, aluminum, and titanium. An analysis of the materials used by weight can be found in section E5-4. Local communities were not consulted.

G1 – Business Conduct

In terms of corporate governance, there are no significant, relevant differences between the companies, locations, or business activities. Therefore, a distinction based on location, activity, sector, or transaction structure for determining the material IROs related to corporate governance was not made, as the potential IROs are holistically considered and defined by the respective legal departments.

IRO-2 – Disclosure Requirements in ESRS Covered by the Undertaking's Sustainability Statement

To ensure comprehensive reporting, the scope of the disclosure requirements, including the data points, was defined in the software tool used for ESG data management. Based on the results of the dual materiality analysis, non-material and voluntary data points were initially eliminated. In the next step, the material data points were assessed regarding their relevance to the group and its stakeholders, and the application of phase-ins was evaluated. Data points relating to concepts, measures, and targets were assessed based on their material impacts, risks, and opportunities and assigned accordingly in the reporting. An overview of the relevant disclosure requirements and the information required under other EU legislation can be found in the appendix to this non-financial statement.

EU-TAXONOMY

Information Pursuant to Article 8 of EU Regulation 2020/852 (Taxonomy Regulation)

Within the framework of the EU Action Plan on Sustainable Finance, redirecting capital flows into sustainable investments is a key objective. Against this backdrop, the EU Taxonomy Regulation (Taxonomy Regulation, EU Regulation 2020/852) entered into force in mid-2020. It provides a uniform and legally binding classification system that defines which economic activities in the EU are considered environmentally sustainable. In addition, the European Commission has issued various delegated regulations, in particular the EU Disclosures Delegated Act 2021/2178, the EU Environmental Delegated Act 2023/2486 (environmental objectives 3 to 6), and the EU Climate Delegated Act 2021/2139 in conjunction with EU Regulation 2023/2485 (environmental objectives 1 to 2).

The EU Taxonomy contains six environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. Sustainable use and protection of water and marine resources;
4. Transition to a circular economy;
5. Pollution prevention and control;
6. Protection and restoration of biodiversity and ecosystems.

When classifying economic activities, a distinction is made between taxonomy eligibility and taxonomy compliance. An economic activity is taxonomy eligible if it is included in the Taxonomy Regulation catalogue and can therefore potentially contribute to the achievement of one or more environmental objectives. Taxonomy compliance requires cumulative assessment and fulfillment of the following three conditions:

- The economic activity makes a significant contribution to at least one of the six environmental objectives.
- It does not cause significant harm to the other (one or more) environmental objectives – "Do No Significant Harm" (DNSH).
- Minimum standards regarding social and governance criteria are met – minimum protection.

The results of the classification must be reported annually for each company. Defined key figures relating to revenue, capital expenditure (CapEx), and operating expenditure (OpEx) must be disclosed.

On 28 January 2026, the delegated act adopted by the European Commission to simplify the Taxonomy Regulation (EU) 2026/73 entered into force, thus allowing the first-time application of the de minimis threshold for reporting on the 2025 financial year. Accordingly, economic activities that do not cumulatively exceed the 10% threshold of the KPI denominator can be declared immaterial. For these economic activities, no assessment of taxonomy eligibility or taxonomy compliance is required. Delegated Regulation (EU) 2021/2178 was also amended to Article 8 of the Taxonomy Regulation (EU). This results in reductions in the scope of the reporting forms and, under certain conditions, simplifications in the assessment of covered economic activities. Disclosure of the information required under the EU Taxonomy Regulation (EU) in conjunction with (EU) 2021/2178 will take place by 31 December 2025 in this version. Since uncertainties still exist regarding the legal interpretation of parts of the provisions, the legal interpretations of the European Commission, published in its notices in the Official Journal, will be used where deemed appropriate.

REPORTING FOR THE FISCAL YEAR 2025

The amounts used to calculate the revenue, CapEx, and OpEx performance indicators are based on figures reported in the consolidated financial statements. The scope of consolidation corresponds to that of financial reporting. The process for implementing the requirements of the Taxonomy Regulation is essentially based on the valuation methodology used previously. This methodology includes criteria for the unambiguous classification of the company's own business activities as belonging to the business activities listed in the Taxonomy Regulation. For the 2025 financial year, the newly created option of applying a materiality concept will be used for all three KPIs. This concept allows for the introduction of a de minimis threshold of 10%, below which certain taxonomy-relevant information can be classified as non-material.

The decisive factor for assessing whether this threshold is exceeded or not is the denominator of the relevant KPI, whereby each indicator to be reported under the Taxonomy Regulation must be assessed separately. To determine materiality, all economic activities that could be attributed to a KPI are considered cumulatively and then compared to the de minimis threshold.

The processing of the requirements from the Taxonomy Regulation was primarily carried out by the controlling and accounting departments in cooperation with the sustainability department. Other departments were involved as needed (for example, real estate management, quality management, and the legal department).



The determination of taxonomy eligibility and compliance was carried out in the following process steps:

1. Definition of the companies to be included
2. Analysis of revenue-related business activities
3. Analysis of non-revenue-related business activities
4. Allocation of financially significant activities to business activities (taxonomy eligibility)
5. Comparison of the determined denominator and the de minimis threshold
6. If the threshold is not exceeded, the business activity can be considered immaterial
7. If the denominator exceeds the threshold, the following process steps are followed:
8. Verification of compliance with the technical assessment criteria for a significant contribution
9. Provision of evidence for the DNSH criterion
10. Verification of compliance with the minimum social protection criteria
11. Calculation of the taxonomy indicators
12. Consolidation
13. Reporting including reporting forms

Regulatory developments and clarifications regarding interpretation by the EU may lead to a need for adjustments and corresponding explanations in future reporting in accordance with the Taxonomy Regulation.



BUSINESS ACTIVITIES

The analysis of business activities was divided into a consideration of revenue-related and non-revenue-related business activities.

1. Revenue-related business activities generate revenue for the company and encompass the entire product portfolio as well as the associated investments and costs.
2. Non-revenue-related business activities refer to investments and costs that are not related to the business model and revenues but are nevertheless incurred as part of the company's operations.
3. In the case of Pankl Group, the following business activities were analyzed:

Revenue-related Business Activities

The group's business model encompasses the development, manufacture, and distribution of components for motor vehicles. Only components that improve environmental performance and are part of zero-emission vehicles would be assigned to the environmental objective "Climate Protection" and the economic activity CCM 3.18, "Manufacture of automotive and mobility components," and thus classified as eligible for taxonomy. All other automotive and mobility components were deemed not eligible for taxonomy because they do not make a significant contribution. Furthermore, the group develops, manufactures, and distributes drivetrain systems and components for the aerospace industry. These activities were assigned to the environmental

objective "Climate Protection" and, consequently, to the economic activity CCM 3.21, "Manufacture of aircraft," and thus classified as eligible for taxonomy.

For the fiscal year 2025, the following key revenue-related economic activities were analyzed in connection with the Taxonomy Regulation, which contribute to the environmental goal of climate protection:

Code	Business Activity	Description
CCM 3.18.	Manufacture of automotive and mobility components	Development, production and distribution of components for motor vehicles
CCM 3.21.	Manufacture of aircraft	Development, production and distribution of propulsion systems and components for aircraft and power units

Non-Revenue-related Business Activities

The analysis of non-revenues-related business activities was initially based on discussions with the relevant departments. Further analysis examined the clear allocation of costs to the respective business activity to eliminate double counting in the calculation.

For the 2025 fiscal year, the following significant non-revenues-related business activities were analyzed in connection with the Taxonomy Regulation:

Code	Business activity	Description
CCM 6.4	Operation of personal mobility, bicycle transport logistics	Company bikes (bicycle leasing)
CCM 6.5.	Transport by motorbikes, passenger cars and light commercial vehicles	Company cars
CCM 7.3.	Installation, maintenance and repair of energy efficiency equipment	Conversion to LED lighting
CCM 7.5.	Installation, maintenance and repair of devices for measuring, regulating and controlling the overall energy efficiency of buildings	Smart meters, energy management, computer-aided facility management (CAFM)
CCM 7.6.	Installation, maintenance and repair of renewable energy technologies	Photovoltaic systems, energy ring to increase the self-generated electricity quota from photovoltaic systems
CCM 7.7.	Acquisition and ownership of buildings	Purchase, rent and leasing of buildings

COMPLIANCE REQUIREMENTS

Significant Contribution

For the economic activity CCM 3.18 "Manufacture of automotive and mobility components," it was already ensured during the taxonomy eligibility assessment that the corresponding components are used exclusively in zero-emission vehicles. These components therefore meet the technical assessment criteria for a significant contribution to the environmental objective of "Climate Change Mitigation." For the economic activity CCM 3.21 "Manufacture of aircraft," a review was conducted to determine whether the target vehicles in question met the technical assessment criteria for the environmental objective "Climate Change Mitigation." This review revealed that the criteria were not met.

The non-revenue-related business activities for the environmental objective "Climate Protection" meet the respective technical assessment criteria for a significant contribution to the environmental objective. Exceptions are the company cars and trucks in the fleet (business activities CCM 6.5 "Transport by motorcycle, car and light commercial vehicle" and CCM 6.6 "Road freight transport") as well as all activities from business activity CCM 7.7 "Acquisition of and ownership of buildings". A taxonomy-compliant share could not be reported for this business activity.

Since the de minimis threshold was not exceeded for any of the three key figures, all identified activities were classified as non-material and no further review was conducted.

Do No Significant Harm (DNSH)

To avoid significant impairment of the environmental objective "adaptation to climate change," a climate risk and vulnerability analysis was conducted for the group's sites. As part of this analysis, the climate impacts on the sites relevant to business activities were examined. For further information, please refer to IRO-1.

No further specific review of the requirements of the DNSH criterion for economic activities was carried out, as the requirements of the criteria for a significant contribution were not met and, due to the use of the 10% materiality threshold for all three KPIs, a review for these was not necessary.

Minimum Protection

Finally, it must be ensured that activities comply with the OECD Guidelines for Multinational Enterprises, the UN Principles on Business and Human Rights, the ILO core labor standards, and the International Charter of Human Rights. Due to the application of the de minimis threshold, a separate assessment of minimum protection was waived, as none of the economic activities identified as financially significant met the cumulative conformity criteria of both the substantial contribution and the DNSH criterion.

As part of its corporate due diligence, the group addresses relevant risks, such as those relating to human rights (including child and forced labor and labor rights), bribery, solicitation of bribes and extortion, taxation, and fair competition. Further information on the group's due diligence is available in section GOV-4.

CALCULATION OF KEY RATIOS

All fully consolidated companies were included in the calculation of the key figures according to the Taxonomy Regulation. Double counting was avoided, as the allocation to an economic activity was made either directly or based on an appropriate breakdown.

For the determination of the key figures for the fiscal year 2025, the previously mentioned option of applying a de minimis threshold was fully utilized. This resulted in Pankl Racing Systems AG not exceeding this threshold for revenue, CapEx, or OpEx. Therefore, detailed reporting on these key figures is omitted.





ENVIRONMENT

CO₂

SF₆

CH₄

N₂O

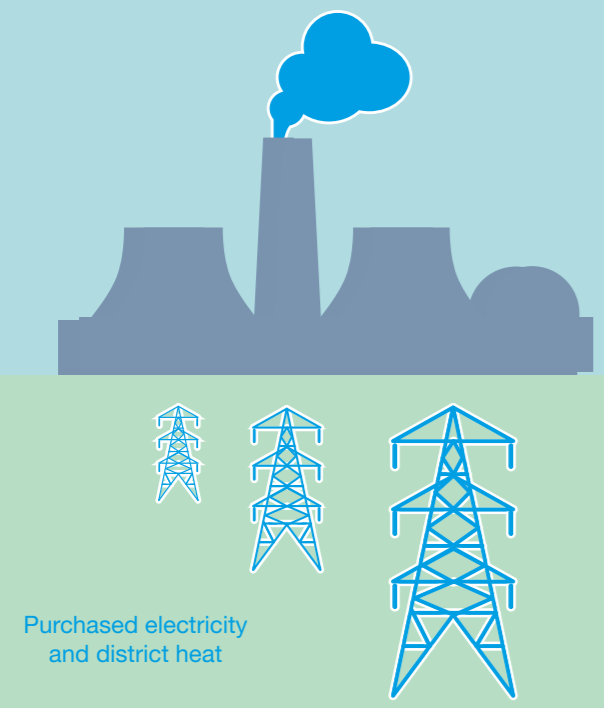
HFCs

PFCs

NF₃

Scope 2

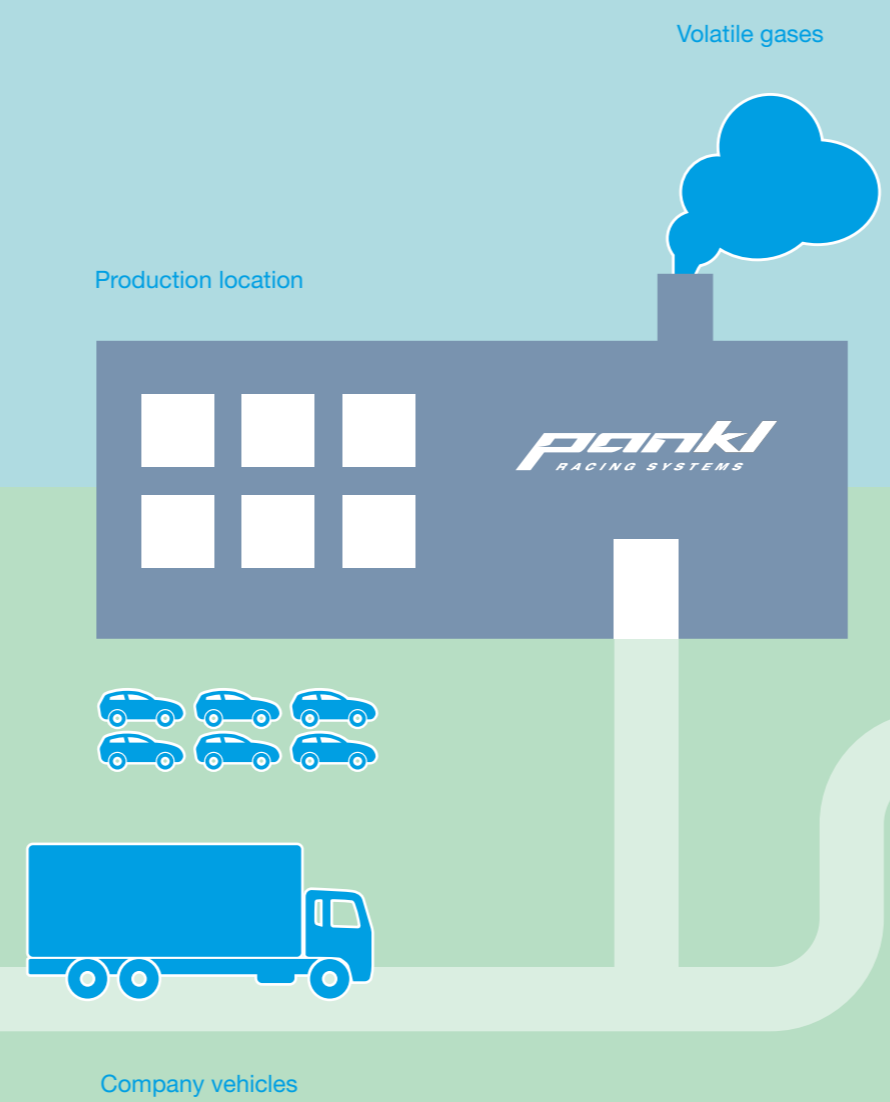
INDIRECT SOURCES



Emissions from purchased electricity for own use

Scope 1

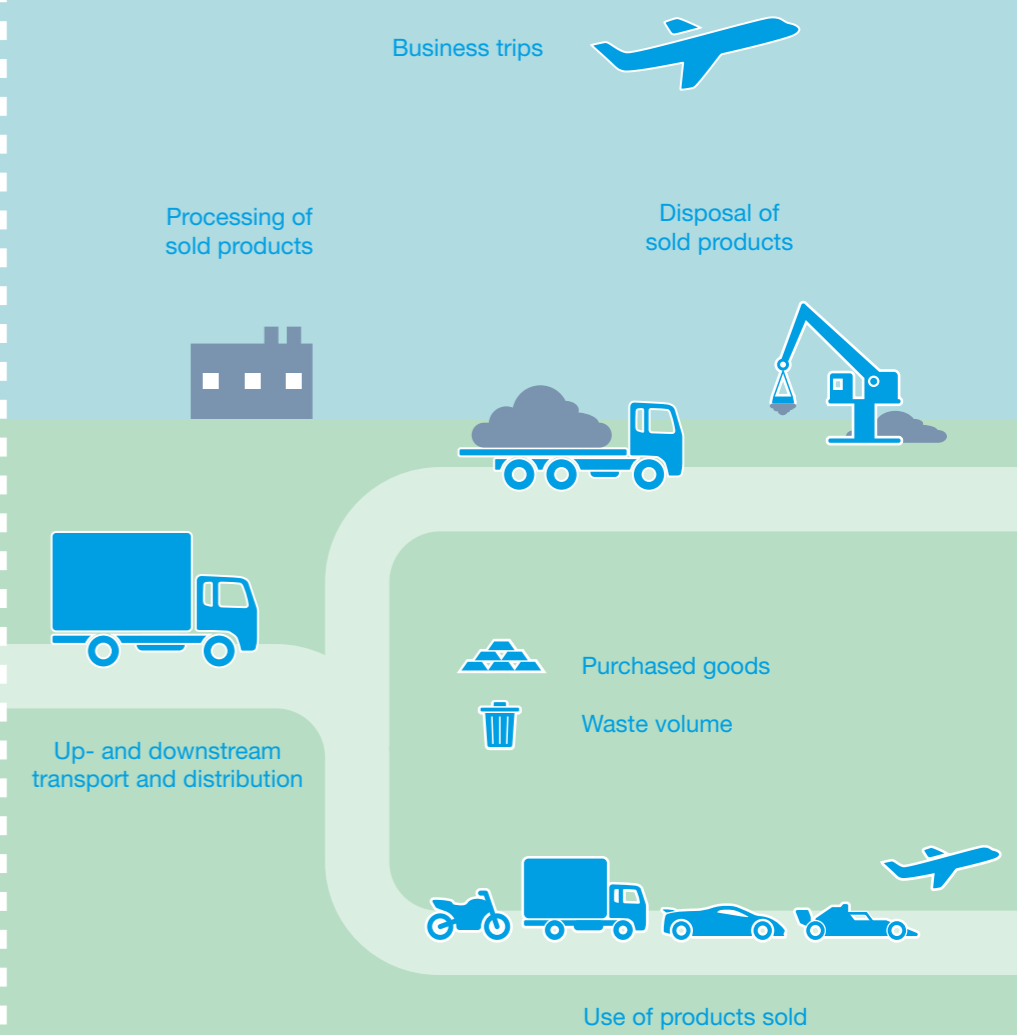
DIRECT SOURCES



Consumption of energy and materials processed on-site

Scope 3

UPSTREAM AND DOWNSTREAM SOURCES



Emissions from up- and downstream value chain

ESRS E1 CLIMATE CHANGE

STRATEGY

E1-1 Transition Plan for Climate Change Mitigation

In the fiscal year 2024, Pankl Group developed a climate protection plan aligned with the Paris Climate Agreement. In 2025, this plan was supplemented with balance sheet ratios and approved by the Management Board. Its purpose is to ensure that Pankl Group contributes to limiting global warming. The climate protection plan is an integral part of the overall business strategy and is reflected accordingly in Pankl Group's financial planning. Progress in implementing the measures and achieving the targets are continuously monitored at group level, regularly evaluated, and adjusted as needed. Certain measures have been integrated into the short-, medium-, and long-term corporate planning and continue to be monitored and adjusted annually. Pankl Group's GHG emission reduction targets are planned as follows:

- **Scope 1 and 2:** Reducing carbon emissions by 80% by 2030 (compared to the reference year 2022) and achieving net-zero emissions by 2040 by eliminating avoidable emissions while compensating unavoidable emissions through carbon offset certificates.
- **Scope 3:** Reduction of emissions along the value chain by 20% by 2030 and subsequently a reduction of 60% by 2040.

The objective is based on the complete coverage of Scope 1 and 2 as well as Scope 3 emissions and encompasses short-, medium-, and long-term timeframes. The level of ambition was defined based on SBTi benchmarks from the peer group and additional customer requirements (in particular, carbon neutrality by 2040). Methodologically, a non-linear reduction pathway was developed based on the SBTi template, which envisages an 80% reduction in Scope 1 and 2 emissions by 2030 and climate neutrality by 2040, taking remaining emissions into account.

Previously sequestered emissions have not been quantitatively assessed. A qualitative analysis shows that, within the company, buildings (steel, concrete) and production facilities and machinery (steel, aluminum) represent the largest potential contributions to sequestered greenhouse gas emissions. The other assets are of lesser, negligible significance. This analysis provides a basis for future investment decisions.

Pankl Group has identified the following key decarbonization levers, which will be reflected in the final climate protection plan, in order to achieve the GHG emission reduction targets in its own value chain and beyond.

1. Technological innovation and structural changes
 - Renewable energy sources: Fossil-based gas heating systems will be gradually replaced with energy-efficient heat pumps.
 - Mobility transition: Starting in 2025, diesel-powered company vehicles will increasingly be powered by HVO100. A complete conversion will take place by the target
2. Adjustment of the product and services portfolio
 - The aim is to increasingly use low-carbon materials and implement supply chains to reduce the Scope 3 emissions footprint.
3. Decarbonization of the up- and downstream value chains
 - Logistics: Focus on alternative fuels through the use of SAF (Sustainable Aviation Fuel) and HVO100.
 - Business trips: Obligatory use of rail for short distances; preference for airline tickets with a higher SAF content.

New technologies are part of the strategy to support the decarbonization path, which relates to better use of heat recovery, industrial heat pumps, electrification potential, and hydrogen.

EESRS 2 SBM-3 Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model

Topic	IRO	Major impacts, risks, or opportunities	Time horizon		
			Short-term	Medium-term	Long-term
Climate change adaptation	01	Risk of infrastructure disruptions and building damage due to extreme weather conditions Extreme weather events such as heavy rain, floods, heat waves, or droughts can cause infrastructure or building damage. In the worst-case scenario, these events can lead to production interruptions, supply chain disruptions, and increased energy and cooling costs. Furthermore, they can jeopardize on-time delivery to customers, resulting in financial losses and reputational damage.	Potential risk (OO)		✓
	02	Negative impacts of GHG emissions from own business activities Greenhouse gas emissions are generated at the company's sites, contributing to climate change. Scope 1 emissions result from the direct combustion of fossil fuels at the group's sites, e.g., in furnaces, forges, heating systems, or along the vehicle fleet. Scope 2 emissions result from the use of purchased electricity, heat, or steam for production processes.	Potential negative impacts (OO, VC)	✓	
Climate change mitigation	03	Negative impacts of GHG emissions along the value chain Greenhouse gas emissions in the group's upstream and downstream value chain arise primarily from material procurement (3.01). These Scope 3 emissions contribute significantly to the company's indirect climate impacts.	Potential negative impacts (OO, VC)	✓	✓
	04	Financial risk due to rising carbon prices resulting from regulatory requirements Already published, still under development, and future regulatory changes may necessitate adjustments to the business model and represent a climate-related transition risk. Dependence on carbon-intensive processes can significantly increase operating costs and impact the competitiveness of the affected sites.	Potential risk (OO, VC)	✓	✓
Energy	05	Energy consumption of fossil fuels Non-renewable energy sources are used at the production sites, some of which are essential for the production processes.	Actual negative impacts (OO)		✓
	06	Generation and use of renewable energy The group is expanding its use of renewable energy to meet its energy needs more sustainably and reduce its carbon footprint. Photovoltaic systems and associated infrastructure for the generation and use of renewable energy have been installed at various company locations (Köflach).	Actual negative impacts (OO)		✓
	07	Dependence on a reliable energy supply for production activities The group's production processes depend on a reliable energy supply, as interruptions can directly affect manufacturing and product quality.	Potential risk (OO)	✓	✓

A complete integration of analyses of the impact of climate change on the strategy and business model is not yet in place but was advanced and expanded in the fiscal year 2025. Risk management has been revised and standardized since the fiscal year 2025. Initial risk assessments have been conducted with several departments. This process is being continuously accelerated and is ultimately intended to lead to a comprehensive risk management system that integrates existing systems at the departmental level. The goal is to integrate and deepen the insights gained during the preparation of the non-financial statement into a holistic risk management system across the entire group.

For example, the supplementary climate risk and vulnerability analysis conducted for Pankl Group's production sites will be considered an integral part of risk management in the future. This analysis examined physical climate risks under three climate scenarios across two time periods. Pankl Group's climate risk analysis shows that the production sites in Bruck upon Mur, Köflach, Topolčany, California, and Dalian are particularly vulnerable to flooding due to increasing heavy rainfall events. One site in California must also prepare for heat waves and droughts. Further information can be found in section E1-3, "Measures and Resources Related to Climate Concepts."

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

E1-2 Policies Related to Climate Change Mitigation and Adaptation

Environmental and Sustainability Policy and Guidelines

The environmental and sustainability policy and guidelines provide the framework for environmentally responsible business practices. They are updated regularly and published on the company website, where they are accessible to internal and external stakeholders at any time. The environmental policy was developed within the framework of the ISO 14001:2015 certified environmental management system and applies to the entire group. Responsibility at the highest level lies with the relevant member of the Management Board. The environmental policy addresses topics such as resource management, the commitment to compliance with legal regulations (environmental, occupational health and safety, and climate-related laws, ordinances, regulations, and official requirements), the integration of ecological criteria in procurement, and the management of greenhouse gas emissions throughout the entire product lifecycle. Pankl Group's environmental and sustainability policy and guidelines focus on the group's own business activities and have an indirect impact on the upstream and downstream value chain, for example, through the reduction of Scope 3 GHG emissions. (IRO 01, 02, 03, 04, 05, 06, 07)

ISO 14001 Audit Reports

As part of our climate protection and climate change adaptation strategies, the effectiveness of our environmental management approaches is regularly assessed worldwide through internal and external audits according to ISO 14001:2015 (Environmental Management System). The audit reports serve as a central control instrument for monitoring compliance with regulatory requirements and for identifying risks, corrective actions, and areas for improvement regarding greenhouse gas emissions and environmental impacts. Any deviations identified are documented and translated into continuous improvement measures through established processes. (IRO 01, 02, 03, 04, 05, 06, 07)

Code of Conduct (CoC)

The valid CoC describes the fundamental approach to sustainability, environmental protection, climate action, and animal welfare. Further information on the CoC can be found in section G1-1. (IRO 01, 02, 03, 04, 05, 06, 07)

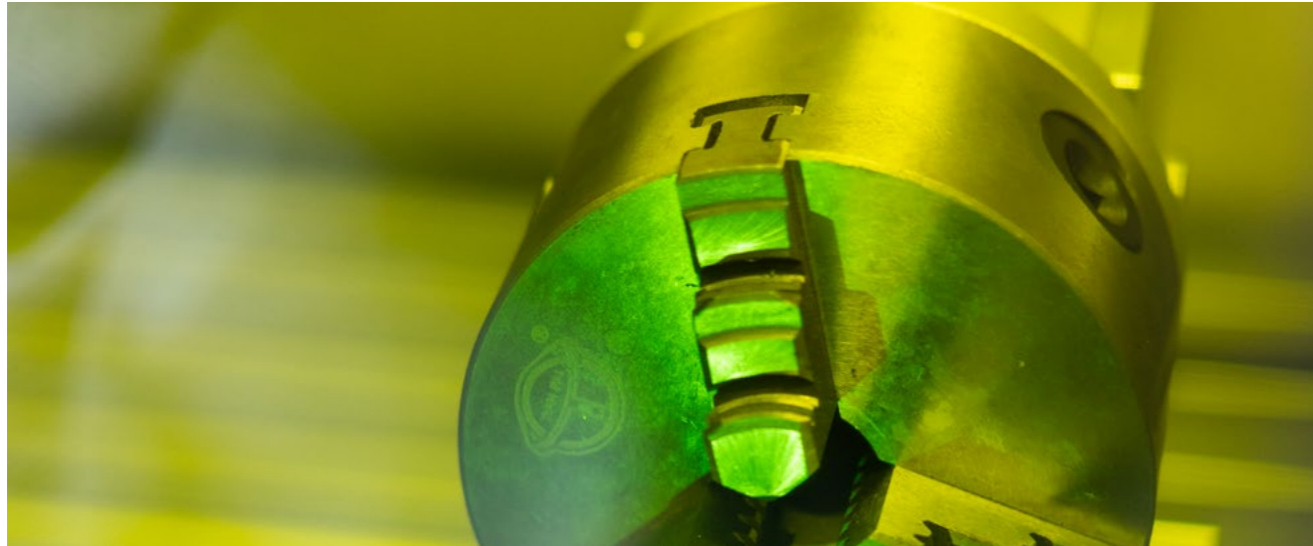
E1-3 Actions and Resources in Relation to Climate Change

A complete quantification of the achieved and expected reductions in greenhouse gas emissions resulting from the measures taken was not possible in the fiscal year 2025 and will be further intensified in the fiscal year 2026. Financial, human, organizational, and material resources were allocated to the management of the material IROs related to climate change mitigation and adaptation, enabling the aforementioned measures to be initiated or implemented. In the fiscal year 2025, long-term financial planning was discussed jointly with the Management Board, and the measures of the climate strategy were integrated into the budget of the finance departments at Pankl Racing Systems AG.

Measures

To reduce the climate and environmental impact at their sites, measures to increase energy efficiency and promote renewable energies are being implemented. The focus of activities in 2025 was on the sites in Kapfenberg, Köflach, and Topolčany (Slovakia). (IRO 01, 02, 03, 05, 07)

Location	Measure	Status	Target	Expected results	Utilized resources
Köflach	Generation of renewable energy from photovoltaics	Implemented, one-time measure	Reduction of greenhouse gas emissions through increased use of on-site renewable electricity and reduced reliance on external electricity purchases. Installation and commissioning in Köflach in October 2025.	Generation of approximately 35,000 kWh of renewable electricity per year in Köflach, reduction of external energy procurement at the Köflach site. Lowering of energy costs and reduction of Scope 2 greenhouse gas emissions.	Implementation was carried out as a one-time investment.
Topolčany	Switching off transformers to reduce load and no-load losses	Implemented, one-off measure with subsequent permanent annual savings.	Reducing electricity consumption and associated greenhouse gas emissions by optimizing transformer utilization. The goal is to improve the energy efficiency of electrical infrastructure and reduce operating costs.	Switching off two transformers, each with a rated output of 1,600 kVA, is expected to result in annual electricity savings of 266,304 kWh. Based on an assumed electricity price of €0.16/kWh, this translates to annual savings potential of approximately €42,608. In addition, a reduction in indirect carbon emissions and an improvement in operational energy efficiency are anticipated. Further savings potential (e.g., through efficiency improvements) was not considered in this calculation.	Internal technical specialists (electrical engineering / maintenance) Existing electrical infrastructure and data on load and idle losses
Kapfenberg	Expansion of energy monitoring	Implemented, one-time measure	Implementation of Level 1 measurement at the Pankl Academy and in Slovakia. Improved energy efficiency, potential reduction in energy consumption and associated costs, and a better data basis for climate protection measures.	Increasing transparency and control over energy consumption, identifying potential savings and promoting efficient energy use.	Investment of €10,000 for technical adjustments. External costs for configuration and implementation into existing systems.
Topolčany	Environmentally friendly cooling lubricant	Ongoing	Introduction of a more environmentally friendly cooling lubricant to reduce environmental impact, improve working conditions and lower maintenance costs.	The previous cooling lubricant was successfully replaced by "AquaSlide". Its implementation in production (following a successful test run) was achieved at the apprenticeship facility in Kapfenberg and in Slovakia, resulting in improved environmental performance, increased employee satisfaction, and cleaner machinery. A rollout to other locations is planned for the long term.	New cooling lubricant, internal effort
Topolčany	Conversion of the lighting in the parking area to LED technology	Implemented, one-off measure, already completed, ongoing savings	Reduction of electricity consumption, lower energy costs, reduction of carbon emissions through more efficient lighting	Annual savings of 4,905 kWh result in a significant reduction in operating costs and a reduction in greenhouse gas emissions in Scope 2.	Investment in LED lamps and replacement parts, internal and external technical specialists for installation
California	EV charging stations	Implemented, one-time measure	Installation of EV charging stations for employees	Incentives to switch to electric vehicles and a reduction in Scope 3 emissions	External costs due to the construction of the charging stations and connection to the grid



KEY RATIOS AND TARGETS

E1-4 Targets Related to Climate Change Mitigation and Adaptation

Pankl Group's climate action plan is aligned with the Paris Agreement's climate goals of limiting global warming to a maximum of 1.5°C. These goals are based on a climate scenario (SBTi) that is consistent with limiting global warming to 1.5°C; therefore, a sector-specific decarbonization plan is not required. Considering the 1.5°C scenario ensures that decarbonization measures are consistent with both long-term regulatory expectations and recognized climate pathways. Scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5 were used for this purpose. The goals are linked to the company's strategic objectives: the transformation towards energy- and resource-efficient production processes, strengthening competitiveness, and meeting the regulatory requirements of European climate pathways. Through its climate targets, the company ensures that its transformation is both regulatory compliant (including EU climate targets 2030/2040/2050) and economically sustainable. These targets form the basis for strategic investment decisions, risk assessments, and the prioritization of transformation measures across all business units. During the development process, the Management Board, the SSC, the site environmental managers, and the company owners were involved through structured, regular exchanges and continuously informed as described in GOV-2. Furthermore, relevant external stakeholders were informed about the targets, particularly customers and their requirements of Pankl Group as a supplier, municipalities, and financial institutions with regulatory and sustainability-related financing requirements.

The reference value was set based on the actual emissions balance for 2022. A derivation using a multi-year average was not necessary, as the emissions and production data did not show any atypical fluctuations.

Pankl Group's GHG emission reduction targets are composed as follows:

- **Scope 1 and 2:** Reduction of carbon emissions by 80% by 2030 (compared to the reference year 2022) and achievement of net-zero carbon emissions by 2040, where avoidable emissions are eliminated while unavoidable emissions are offset by carbon offset certificates. (IRO 02)
- **Scope 3:** Reduction of carbon emissions along the value chain by 20% by 2030 and 60% by 2040. (IRO 03)

To monitor progress toward targets, annual emissions reports are prepared, comparing actual emissions levels with the respective target trajectory. The company conducts regular variance analyses and updates action plans and priorities as needed to ensure adherence to the target trajectory and to identify long-term trends early on.

E1-5 Energy Consumption and Mix

ESRS E1-5 37-38 Energy consumption and mix [MWh]	2025	2024
(1) Fuel consumption from coal and coal products	0	0
(2) Fuel consumption from crude oil and petroleum products	1,853.6	1,694.4
(3) Fuel consumption from natural gas	13,999	16,002.7
(4) Fuel consumption from other fossil sources	0	0
(5) Consumption of electricity, heat, steam and cooling acquired or received from fossil sources	3,524.6	11,872.9
(6) Total consumption of fossil energy (sum of rows 1-5)	19,377.2	29,567
Share of fossil sources in total energy consumption [%]	28.0	40.1
(7) Consumption from nuclear sources	576.6	4,605.7
Share of consumption from nuclear sources in total energy consumption [%]	<1.0	6.3
(8) Fuel consumption from renewable sources, including biomass (also industrial and municipal waste of biological origin, biogas, hydrogen from renewable sources, etc.)	188.9	149.7
(9) Consumption of purchased or sustained electricity, heat, steam, and cooling from renewable sources	49,007.6	39,380.9
(10) Consumption of self-generated renewable energy other than fuels	0	0
(11) Total renewable energy consumption (sum of 8-10)	49,196.5	39,530.6
Share of renewable sources in total energy consumption [%]	71.1	53.6
Total energy consumption (sum of rows 6, 7, and 11)	69,150.3	73,706.3

In the fiscal year 2025, the **energy intensity from activities in climate-intensive sectors per net sales revenue** from activities in climate-intensive sectors amounted to 0.19 MWh/k€.

Generation of Energy

ESRS E1-5 39 Energy source [MWh]	2025	2024
Renewable sources (Photovoltaics)	3,643.9	736.4
Non-renewable sources	0	0

E1-6 Gross Scopes 1,2,3 and Total GHG Emissions

ESRS E1-6 48-52	2025	2024
SCOPE-1 greenhouse gas emissions		
Scope-1 GHG gross emissions [CO ₂ e, tons]	3,121.4	3,501.2
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading systems [%]	-	-
Biogenic emissions [CO ₂ e, tons]	22	27.9
Scope-2 greenhouse gas emissions [CO₂e, tons]		
Site-related Scope 2 GHG gross emissions	7,370.9	11,331.3
Market-related Scope 2 GHG gross emissions	1,795.7	7,744.3
Scope-3 greenhouse gas emissions [CO₂e, tons]		
Total indirect (Scope 3) GHG gross emissions	101,562.9	96,515.5
1 Purchased goods and services	86,490.5	80,125.1
2 Capital goods	2,967	4,685.7
3 Fuel and energy activities (not included in Scope 1 or Scope 2)	3,166.7	3,915
4 Upstream transport and distribution	4,376.9	2,686.2
5 Waste generated at company sites	56.1	61.3
6 Business travel	658.7	415.5
7 Commuting workers	2,302.4	2,822.8
8 Upstream leased capital goods	Not relevant	Not relevant
9 Downstream Transportation	1,299.9	1,391.4
10 Processing of sold products	154.5	175.9
11 Use of sold products	Not relevant	Not relevant
12 End-of-life product treatment	90.1	236.6
13 Downstream leased assets	Not relevant	Not relevant
14 Franchise	Not relevant	Not relevant
15 Capital expenditure	Not relevant	Not relevant
ESRS E1-6 48-52 [CO₂e, tons]	2025	2024
Total GHG emissions (site-specific)	112,055.2	111,263.1
Total GHG emissions (market-specific)	106,479.9	107,676.1

*Biogenic emissions are not included in the overall balance.

ESRS E1-6 54 GHG-Intensity per net revenues [tonnes of CO₂e/€]

	2025	2024
GHG total emissions (site-specific) per net revenues	0.3	0.3
GHG total emissions (market-specific) per net revenues	0.3	0.3

CALCULATION PRINCIPLES AND ASSUMPTIONS

Principles and Assumptions Relating to E1-5 Energy Consumption and Mix

Data point, disclosure	Description
Energy consumption and mix (E1-5 37 a-c, 38 a-e, 39)	Consumption and activity at each location were recorded directly. Depending on the location, the collected data was based on invoices and/or meter readings.
Energy intensity of activities in climate-intensive sectors (E1-5 40)	To determine the energy intensity per net revenue related to activities in climate-intensive sectors, the ESRS classification was followed. According to this classification, the sectors in sections A to H and section L of Regulation (EU) 2022/1288 are considered climate-intensive. A review of these sections and an analysis of the revenue-related economic activities reveals that these external revenues are generated in the sectors of section C (manufacturing/production of goods). The corresponding business units were included in the analysis. All subsidiaries of Pankl Group were fully included in the calculation, taking sectoral climate intensity into account. Due to a differing segment definition in the financial reporting, a direct reconciliation is not possible. The net revenues can be found in Chapter III, "Segment Reporting," of the consolidated financial statements.



Principles and Assumptions Related to E1-6 GHG Gross Emissions

Data point, disclosure	Description
GHG gross emissions, general disclosures	<p>The calculation of greenhouse gas (GHG) emissions was based on the specifications of the GHG Protocol. Emission factors were used that account for the climate-relevant greenhouse gases carbon, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃, collectively referred to as CO₂e. Further information on the emission factors used can be found directly linked to the scopes. The calculation is based on the following procedure:</p> <p>Consumption and activities at the Pankl Group's sites were recorded directly. For goods where the available consumption and activity data were incomplete, the previous year's values were used or estimates were calculated. GHG emissions were calculated using the most recently publicly available emission factors.</p> <p>Data accuracy and reliability of results: Due to the use of emission factors, the GHG balance is subject to a degree of inaccuracy. The assumptions made are described in more detail in the following sections.</p>
Scope-1 greenhouse gas emissions (E1-6 48a-b, 50a-b)	<p>Scope 1 GHG emissions include emissions that are directly emitted (combustion processes). These include emissions from local heating systems, natural gas use in processes, test benches, refrigerants, and the group's vehicle fleet. Emission factors from the UK Department for Energy Security and Net Zero (DESNZ) were used to calculate GHG emissions. Volatile emissions were determined based on sales estimates, supported by the reported data from the respective companies.</p>
Scope-2 greenhouse gas emissions (E1-6 49a-b, 50 a-b)	<p>Scope 2 GHG emissions were determined using both market-based and site-based methods. Emission sources include district heating and electricity consumption. Particular attention was paid to using market-specific emission factors for the market-based method. All sites in Austria obtain electricity from renewable sources, as contractually agreed. Market-based emission factors are not available for the other sites, so the emission factors from the site-based method were used. Site-based emission factors were applied to 83.12% of the energy consumed. DESNZ emission factors were used for the site-based method. The database does not show the share of biogenic emissions separately, therefore these cannot be reported on their own.</p>
Scope-3 greenhouse gas emissions (E1-6 51)	<p>The calculation of Scope 3 GHG emissions is based on activity data and associated emissions in the upstream and downstream value chain. Only 9.15% primary supplier data was used to calculate transport emissions. Data from companies lacking primary data was collected via ERP extracts. Emission factors from the Federal Office for Economic Affairs and Export Control (BAFA), DESNZ, the Industrial Ecology and Sustainability Research Institute (Exiobase), the Global Logistics Emissions Council (GLEC), the German Environment Agency (UBA), and Mobitool were used.</p>
3.1 Purchased goods and services	<p>To determine the GHG emissions in connection with purchased goods and services, the purchased materials were evaluated from the ERP systems or invoices of the companies and summed based on product groups using the quantity data and calculated using the average data method with DESNZ emission factors of the German Federal Office for Economic Affairs and Export Control (BAFA).</p>
3.2 Capital goods	<p>To determine GHG emissions, calculations were performed using the expenditure-based approach based on CapEx data. Emission factors from Exiobase were used for this purpose.</p>
3.3 Fuel and energy activities (not included in Scope 1 or Scope 2)	<p>The calculation of GHG emissions from well-to-tank fuel and energy activities is based on the input values for Scope 1.01 and Scope 2.01. The calculation of GHG emissions from upstream fuel and energy activities (well-to-tank) was based on the recorded consumption data along the supply chain. This included upstream emissions from natural gas consumption, purchased electricity, gasoline and diesel production, district heating, and vehicle manufacturing. Emission data from DESNZ and UBA were used to calculate the GHG emissions.</p>

Data point, disclosure	Description
3.4 Upstream transport and distribution	<p>The upstream transport data is based on the annual reports of the respective logistics service providers. Where no such report was available, data from the ERP system was used or tracked by the purchasing / logistics departments. The GHG emissions were calculated using DESNZ and GLEC emission factors.</p>
3.5 Waste generated at company sites	<p>The GHG emissions from waste and its disposal are based on data from waste management companies. After recording the quantity for each waste code, the resulting GHG emissions were calculated using the average data method based on DESNZ emission factors.</p>
3.6 Business travel	<p>The data is based either on annual reports from travel agencies, car rental companies, or internal documentation of business trips. After recording the kilometers and miles, the resulting GHG emissions were calculated using the distance data method based on DESNZ emission factors and factors from Mobitool (v3.0).</p>
3.7 Commuting workers	<p>To calculate the greenhouse gas (GHG) emissions resulting from employees' commutes, an analysis from Pankl Racing Systems AG, which recorded the mobility behavior of its employees, was used as a basis for the entire group. Due to the similar conditions across the companies, applying this analysis to all subsidiaries within the group seemed appropriate. After recording the mobility behavior, the resulting GHG emissions were calculated using the average data method based on DESNZ emission factors and factors from Mobitool (v3.0).</p>
3.8 Upstream leased capital goods	<p>This is an insignificant category. Consequently, no GHG emissions are reported in this sub-scope.</p>
3.9 Downstream Transportation	<p>The downstream transport data is based on the annual reports of the respective logistics service providers. Where no such report was available, data from the ERP system was used or tracked by the purchasing/ logistics department. Total greenhouse gas emissions (GHG) were calculated using DESNZ and GLEC emission factors.</p>
3.10 Processing of sold products	<p>The recording of the processing of Pankl Group's products sold is based on the number of units delivered by the group companies. For each component type, the corresponding kg of CO₂e was calculated using an estimation method, and these internal calculations were then incorporated into the balance. Since the products under consideration are mechanical interim components, only the assembly step was considered. carbon equivalents (kg of CO₂e) were calculated for the different component types using an estimation method and included as internal values in the balance. For the assembly step, the company's internal emission value from the ERP-based PCF calculator was used and multiplied by the number of units sold per location. It is assumed that similar carbon emissions occur at the customer's site during assembly, as these steps are predominantly carried out manually or with minimal electrical input. For these steps, an emission factor of 20g of CO₂e per delivered component was applied in the automotive sector and 50g of CO₂e per component in the aerospace sector, depending on the application.</p>
3.11 Use of sold products	<p>This is an insignificant category. Consequently, no GHG emissions were reported for this sub-scope.</p>
3.12 End-of-life product treatment	<p>Due to the specific design of the components and the materials used, it is assumed that Pankl Group products can be 100% recycled at the end of their service life. However, since the components are permanently installed, the actual recycling process is beyond the company's control. The underlying assumption in category 3.12 is based on the disposal of the products. Accordingly, the resulting waste for each group company was recorded in category 3.12.</p>
3.13 Downstream leased assets	<p>This is an insignificant category. Consequently, no GHG emissions were reported for this sub-scope.</p>
3.14 Franchise	<p>This is an insignificant category. Consequently, no GHG emissions were reported for this sub-scope.</p>
3.15 Capital expenditure	<p>This is an insignificant category. Consequently, no GHG emissions were reported for this sub-scope.</p>
Greenhouse gas intensity of products (E1-6 54)	<p>To determine the GHG intensity per net revenue, total GHG emissions (site- and market-based) were used as the denominator, taking all business segments into account. The numerator consists of total net sales revenue.</p>

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

STRATEGY

ESRS 2 SBM-3 Major Impacts, Risks and Opportunities and Their Interaction with Resource Use and Circular Economy

Topic	IRO	Major impacts, risks, or opportunities		Zeithorizont		
				Short-term	Medium-term	Long-term
Resources inflow and use	08	Consumption of primary and secondary materials in production processes Primary and secondary materials such as aluminum, steel, and titanium are used to manufacture the group's products. Particularly energy-intensive and difficult-to-recycle materials increase resource consumption, energy use, and emissions.	Actual negative impacts (OO, VC)	✓	✓	
	09	Risk of supply chain delays and limited material availability Delays in the supply chain and the increasing scarcity of key raw materials, especially those that support the business model, can significantly impact the production process.	Potential risk (OO, VC)	✓	✓	
Resources outflow related to products and services	10	Long-term resource commitment in products with limited recycling Valuable resources and raw materials are tied up in the group's products for the long-term. At the end of the product lifecycle, it cannot be guaranteed that all raw materials will be fully recycled.	Potential negative impacts (OO, VC)	✓	✓	
	11	Development of durable products The Group develops durable products that, through extended lifecycles, reduce the need for new orders, conserve resources, and increase resource efficiency along the value chain.	Actual positive impacts (OO, VC)			✓
Waste	12	Waste generation (non-hazardous and hazardous) from production processes Production processes generate waste, both non-hazardous and hazardous. This can cause additional environmental pollution and disposal costs.	Actual negative impacts (OO, VC)	✓	✓	

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

E5-1 Policies Related to Resource Use and Circular Economy

Code of Conduct (CoC)

The Code of Conduct describes, among other things, the basic procedures for handling conflict minerals, chemicals, and pollutants. Further information on the Code of Conduct can be found in section G1-1. (IRO 08, 09, 10)

Environmental Policy and Audit Reports

The environmental and sustainability policy and associated guidelines developed as part of the ISO 14001 certification describe the monitoring of material flows and the management of resources. Further information (such as their availability, essential content, scope, and relevant responsibilities) can be found in section E1-2. (IRO 08, 10, 11, 12)

To date, the concepts do not specifically address the shift away from the use of primary raw materials, including the increase in the use of secondary (recycled) resources.

E5-2 Actions and Resources Related to Resource Use and Circular Economy

Conserving natural resources is a multifaceted process and can be viewed from various perspectives: product design, material selection, and process management. Choosing the right materials for components extends product lifespan. Using alternative raw materials (such as recycled plastics) can promote a circular economy.

Promotion of the Circular Economy Using Secondary Raw Materials

Pankl is committed to considering the climate and environmental impact of its products from the design stage and throughout their entire life cycle. This results in more durable, easily repairable products that, at the end of their use, can be disassembled into reusable or recyclable parts and materials. (IRO 08, 09, 10, 11, 12)

Resource Conservation in Production and Development Processes

Pankl continuously implements measures to reduce resource consumption.

Location	Measure	Status	Target	Expected Results
Austria	HADES	Ongoing	In 2024, Pankl Racing launched the company-wide purchasing project HADES to make the procurement process more efficient and sustainable. A comprehensive handbook was also created, consolidating all requirements and defining clear purchasing guidelines. In addition, a sustainability self-assessment questionnaire was developed, which is now requested annually from the top 15 suppliers, as they account for over 80% of the purchasing volume. The questionnaire was first rolled out in 2025. The insights gained from it create greater transparency across the supply chain and support Pankl in calculating emissions and deriving strategic measures in the areas of climate protection and sustainability.	More transparency across the supply chain will provide the basis for informed purchasing decisions in the future. This measure is intended to reduce Scope 3 emissions in the long term.

Energy-saving Measures

are described in more detail in section E1-3.

Measures for Managing the Risk of Delayed Deliveries or Limited Material Availability

To reduce procurement risk, the goal of diversification within the supply chain has been integrated into the purchasing strategy for certain product groups. In addition, a multi-stage risk management system is used to minimize risks in the supply chain. A key measure is the use of a digital monitoring tool that continuously analyzes Tier 1 suppliers and identifies potential disruptions or bottlenecks at an early stage. This tool expands the existing internal risk matrix to include a sound external perspective on the risk situation of individual suppliers. (IRO 09)

KEY RATIOS AND TARGETS

E5-3 Targets Related to Resource Use and Circular Economy

No targets have yet been defined for IROs related to resource use and the circular economy. The effectiveness of the concepts and measures concerning key IROs is monitored individually by the departments responsible. However, there is currently no overarching procedure for monitoring effectiveness.

E5-4 Resource Inflows

Company-specific information – materials used by weight:

E5-4 Materials [tons]	2025	2024
Acetylene	0.6	1.4
Aluminum	2,060.5	3,396.9
Argon	98.7	111.8
Bronze	0.6	0.5
Wood	120.6	151
Plastic	68.9	74.3
Copper	12.1	25
Lacquer	4.5	3.5
Magnesium	0.3	0.3
Mineral oil	28.8	45.8
Sodium hydroxide	9.9	8.8
Nickel	75.4	77.2
Paper and cardboard	191.6	134.6
Hydrochloric acid	18.7	13.2
Oxygen	0	6.8
Lubricating oil	85.3	148.3
Steel	30,585.8	18,662.8
Nitrogen	257.3	392.2
Titanium	165.3	367.7
Others		0.5
Total	33,784.4	23,662.3

ESRS E5-4 31a-c Extraction	Unit	2025	2024
Total weight of products and materials used	tons	33,784.4	23,662.3
Percentage of sustainably sourced biological materials in the total weight	%	0	0
Weight of reused or recycled secondary components, products, or materials used	tons	33,211.4	1,625.9*
Percentage of reused or recycled secondary components, products, or materials used	%	98.3	0.1

Further Company-specific Key Ratios	2025	2024
Water consumption [m³]	46,113.8	44,646.2

E5-5 Resource Outflows / Waste

As part of the materiality analysis, ESRS E5-5 waste was identified as material again in 2025 and assessed accordingly.

Pankl Group's core activity is the manufacture of metal products. These products are categorized as drivetrain, engine, chassis, and aerospace components. The products have a service life of several years under normal use and can be disassembled. This allows a large proportion of the materials used to be recycled. Lightweight construction is a key focus for drivetrain, engine, and chassis components.

ESRS E5-5 36a-c

The service life of Pankl Group products depends significantly on the end-customer's usage pattern. For drive, engine, and chassis components, an average service life of 80,000 to 120,000 km is assumed. The values vary depending on the vehicle type:

- Standard production vehicles: 120,000 – 150,000 km
- High-performance vehicles: 60,000 – 80,000 km

Racing components are specifically designed for the extreme stresses and performance demands of motor-sport. Due to the high mechanical and thermal stresses, these components have a short lifespan. This is because they are optimized for maximum efficiency and performance at a low weight, which accelerates material fatigue.

Series products such as engine components and drivetrain systems are specifically designed for a long service life. Production is strictly aligned with the specific requirements of customers. As a result, service life can vary depending on the product and application – from the entire lifespan of the vehicle to specific mileage or flight hour limits. They are designed to outlast their service life under normal operating conditions. This is ensured through comprehensive material testing and rigorous quality control.

Aerospace components are designed for an average service life of approximately 8,000 flight hours. Maintenance is performed "on condition," meaning the condition of each individual component is checked separately. Prescribed maintenance intervals are every 500 flight hours, after which a condition assessment is carried out to determine whether the component should be used further or replaced.

The comparative values are based on expert surveys and industry benchmarks. The durability of the components can vary considerably, particularly due to the significant influence of usage patterns. Approximately 98.3% of the products and their packaging (excluding reusable packaging) are recyclable.

* The calculation is based on a different logic than in 2025, therefore the value is not comparable.

ESRS E5-5 37 a-d [t]	2025	2024
Total waste	8,260.8	9,020.8
Total waste for recovery	6,677	7,471.1
of which preparation for recycling	508.2	60
non-hazardous waste	507.7	60
hazardous waste	0.5	0
of which recycling	6,168.6	7,411.2
non-hazardous waste	5,764	7,411.2
hazardous waste	404.7	0
of which other disposal methods	0.2	0
non-hazardous waste	0	0
hazardous waste	0.2	0
Total waste for disposal	1,583.7	1,549.7
of which incineration	674.7	360
non-hazardous waste	48.7	245.3
hazardous waste	626	114.7
of which landfilling	383.1	734
non-hazardous waste	19.2	1.8
hazardous waste	363.9	732.2
of which other disposal methods	525.9	455.7
non-hazardous waste	0.2	0
hazardous waste	525.8	455.7
Radioactive waste	0	0
Non-recycled waste	1,417.5	1,609.7
Share of non-recycled waste from total waste [%]	17.2	17.8
Total hazardous waste	1,921	1,315
Total non-hazardous waste	6,339.8	7,705.9

ESRS E5-5 38 a-b

Within Pankl Group, a significant portion of waste consists of non-hazardous metallic waste such as steel and aluminum scrap generated during machining. This waste contains valuable secondary raw materials and is recycled. Packaging and logistics generate waste from wood, plastics, paper, and cardboard. These materials are collected separately and primarily recycled or used for energy recovery. Hazardous waste such as used oil, solvents, paint residues, and oil-based operating materials contains sometimes chemical residues.

This waste is handled in accordance with regulations by specialized waste management companies. Biomass-containing waste (e.g., green waste, canteen waste) is of minor importance in terms of volume but is collected and recycled separately. Rare earth elements and critical raw materials are present only to a very limited extent in the company's general manufacturing processes, for example, as alloying elements in scrap metal or small electronic devices.

CALCULATION PRINCIPLES AND ASSUMPTIONS

ESRS Disclosure requirement	Chapter	Data point, disclosure	Calculation principles and assumptions
		Company-specific information – materials used by weight	The materials used are determined based on purchases recorded in the ERP system. The purchased materials are analyzed and assigned to the respective material groups, with the quantities specified accordingly.
E5-4	30	Description of resource inflows	For the method used to record the total weight of products and materials used, please refer to the company-specific information: "Materials used by weight." Due to the complexity of the value chain, only minimal primary data from the upstream value chain could be included. An attempt was made to obtain a more comprehensive picture of the value chain using Value Chain Risk Analysis. It was not possible to report the proportion of sustainably sourced biological materials. For a raw material to be classified as sustainable, it must be certified according to a recognized certification system. Due to the aggregation of resource inflows at the commodity group level, this detailed analysis and, consequently, the reporting of the proportion of sustainably sourced biological materials is not possible. The determination of materials used in the Pankl Group is based on procurement data systematically recorded in the ERP system. The purchased materials are analyzed, classified according to defined material groups, and their quantities are recorded. The reported value for reused or recycled components represents the proportion of secondary aluminum. The German aluminum mix was used for the calculation. Therefore, the reported proportion is subject to a high degree of uncertainty.
E5-5	36a	Expected durability	The durability specifications refer to the potential mileage of drivetrain, engine, and chassis components, and to flight hours for aerospace components.
E5-5	36b	Repairability	Due to components being permanently installed, repairability cannot be specified.
E5-5	36c	Recyclable content in products and packaging	The materials steel, aluminum, paper, bronze, wood, copper, nickel, titanium, and magnesium have been classified as recyclable, and their proportions in the products and packaging are shown accordingly.
E5-5	38 a-b	Waste streams	The waste streams are derived from the waste codes of the respective countries and are consolidated group-wide.



SOCIAL

ESRS S1 OWN WORKFORCE

STRATEGY

ESRS 2 SBM-3 Material Impacts, Risks, and Opportunities and Their Interaction with the Own Workforce

Topic	IRO	Major impacts, risks, or opportunities	Time horizon			
			Short-term	Medium-term	Long-term	
Secure employment	13	<p>Positive impact (on collective bargaining) from the collective agreements change at the Austrian locations The Group actively supports collective bargaining and strives for high employee coverage through collective agreements to promote fair working conditions, satisfaction, and motivation. In Austria, the transition from the collective agreement for the metal trade to that for the metal industry will take place in 2025/2026, resulting in a stronger alignment with industry standards. (systemic)</p>	Actual positive impact (OO)	✓	✓	
Health and safety	14	<p>Occurrence of workplace accidents The occurrence of workplace accidents, occupational diseases, or fatalities in production can have direct negative effects on employees, production processes, and the company's image. (systemic)</p>	Potential negative impact (OO)	✓	✓	
Fair treatment and equal opportunities for all	15	<p>Gender inequalities in pay and management positions The Group is predominantly male, both in the overall workforce and among managers. The gender pay gap is 20.1%. (systemic)</p>	Potential negative impact (OO)		✓	✓
Training and skills development	16	<p>Future prospects and skills development through continuing education and knowledge management The group offers its employees extensive further education and development opportunities to promote skills, employability, and future prospects. (systemic)</p>	Potential negative impact (OO)	✓	✓	
Data protection	17	<p>Risk of data loss or data misuse EA potential loss or misuse of personal data infringes upon the rights of the data subjects. (systemic)</p>	Potential negative impact (OO)	✓	✓	✓

In determining the material impacts, risks, and opportunities, and in the reporting required under "ESRS 2 General Disclosures," the Group's workforce was considered. As part of the dual materiality analysis (see IRO-1), the potentially affected company's own workforce was identified, considering their activities, work environment, and characteristics.

This analysis included discussions with human resource management experts and employee representatives to gain a better understanding of the potential impacts. The Pankl Group's own workforce has not previously been considered in the transition plans (see also section E1-1). Per 31 December 2025, Pankl employed a total of 2,115 persons. Further information on the workforce can be found in section "S1-6 Characteristics of the Company's Employees."



MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

S1-1 Policies Related to Own Workforce

Pankl strives to create a work environment in which employees are protected as effectively as possible from health hazards and injuries through appropriate measures and processes. The following concepts have been established for the IROs in relation to the own workforce. Pankl respects human rights and is committed to fair working conditions. Employees can contact their managers, the works council, company doctors, occupational psychologists, the HR or legal department, safety specialists, or the whistleblower system at any time.

Furthermore, numerous safety training courses and workshops have been established to maintain a high level of safety and prevent workplace accidents.

Environmental and Sustainability Policy and Sustainability Guidelines

As part of its sustainability policy, Pankl is committed to fair, safe, and healthy working conditions. Respect for human rights and the creation of flexible and equitable working conditions are considered fundamental principles. To strengthen the qualifications and professional development of its employees, the company focuses on continuous training and further education. Pankl strives to create a work environment in which employees are protected as effectively as possible from health and injury risks through appropriate measures and processes. The environmental and sustainability policy and guidelines encompass the most important principles for occupational safety and health protection of its employees. In addition, numerous instructions, safety training courses, and workshops have been established to maintain a high level of safety and prevent workplace accidents. The policy and guidelines are available on the Pankl Group website. Safety specialists at the respective locations, or across different locations, are responsible for the targeted development of occupational safety and health promotion for employees. They are supported by occupational health service providers. The appropriate managers and ultimately the Management Board are responsible for their implementation. (IRO 13, 14, 15, 16)

Whistleblower System Policy

The whistleblower policy serves to structure the process and protects whistleblowers when reporting through the whistleblower system. The policy outlines the reporting process as well as information on confidentiality and data protection. The policy is prepared by the legal department and updated as needed. The appropriate managers and ultimately the Management Board are responsible for its implementation. (IRO 13, 14, 15, 16, 17)

Declaration of Principles on Human Rights

Pankl Group has published a declaration of principles, which is available on its website. It underscores the company's commitment to complying with all relevant laws and guidelines, particularly in the area of human rights. The declaration of principles is prepared by the legal department and updated as needed. The appropriate managers and ultimately the Management Board are responsible for its implementation. (IRO 13, 15, 16)

Code of Conduct (CoC)

The CoC describes, among other things, principles regarding human rights, diversity, fair working conditions, health and safety at work, forced and compulsory labor, child labor, and human trafficking. Further information on the CoC can be found in section G1-1. (IRO 13, 15, 16, 17)

Information Security and Data Protection Policy

The information security and data protection policy applies internally and externally to the entire Pankl Group and to all employees. Information is protected against unautho-



rized access, loss, and manipulation. Compliance with legal and contractual requirements is ensured. Security risks are identified and minimized, while awareness of security measures is promoted. The responsible handling of personal data and its economical use are also key priorities. The Information Security department and ultimately the Management Board are responsible for the implementation of this policy. (IRO 17)

S1-2 Processes for Engaging with Own Workers and Workers' Representatives About Impacts

In the Pankl Group, approximately 81% of the total workforce is represented by works councils. These councils are involved in the decision-making process for far-reaching personnel-related developments. Employees can contact the works councils at any time with their concerns and seek their advice and representation. At locations without works councils, the HR department serves as the point of contact for employees. Employees can also address their concerns to their managers, company doctors, the HR or legal departments, safety specialists, and HR business partners at any time, or communicate via the whistleblower system. In addition, employee performance reviews are held annually or biennially for salaried employees and in Austria also blue-collar workers to facilitate structured communication between employees and managers. These performance reviews are coordinated by the HR department. Further information on employee performance reviews can be found in section S1-13. 82% of employees are covered by collective bargaining agreements or have contracts with similar terms. These regulate the rights and obligations of employers and employees within the framework of the employment relationship.

S1-3 Processes to Remediate Negative Impacts and Channels for Own Workers to Raise Concerns

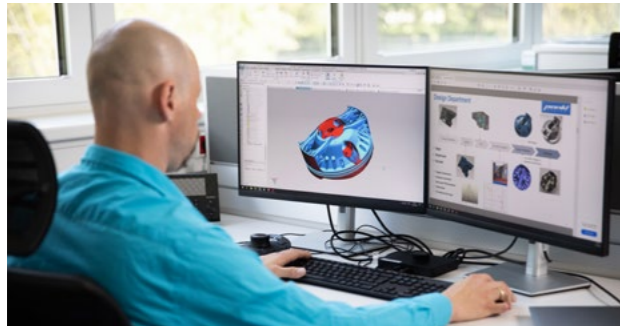
Pankl is committed to preventing negative impacts on its employees. Appropriate measures are described in section ESRS S1-4. Furthermore, employees can raise their concerns at any time via the channels described in S1-2. Information on these reporting options, such as the guidelines for the whistleblower system and specific contact addresses, is published on the intranet. The whistleblower systems are specifically highlighted in employee information (intranet, Pankl Formula, notices) and in the e-learning module on the Code of Conduct, which aims to increase internal awareness of the systems. In addition, the Code of Conduct, which refers to the whistleblower systems, is provided to all employees upon contract signing, and employees are notified of any changes to the Code of Conduct. Whistleblower protection is firmly anchored in the company's principles. Complaints are prioritized and followed up according to the type of report and the reporting channel.

The legal department monitors incoming reports to the whistleblower system, thereby ensuring its effectiveness. Further information on the whistleblower system, including the follow-up process by the legal departments or, if necessary, by external experts, can be found in sections G1-1 and G1-3.

S1-4 Taking Action on Material Impacts and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of those Actions and Approaches

The HR departments identify and implement measures relating to working conditions, employee satisfaction, occupational safety and health, training and professional development opportunities, as well as diversity and equal opportunities. Internal experts consider both legal requirements and the needs and suggestions of specialist departments when identifying these measures. Data protection measures are identified and managed by the legal departments, while IT is responsible for data security measures. The appropriate departments are also responsible for monitoring the effectiveness of these measures. This is done, for example, through knowledge assessments at the end of training courses or, in the case of cybersecurity measures, by analyzing fake phishing emails. After completing system-related training courses, employees can evaluate the training in terms of content, methods, and practical relevance. This serves to monitor the effectiveness of the training. A high rating for practical relevance indicates good applicability of the training in the employees' daily work. Furthermore, the annual employee reviews serve as an opportunity for feedback. Material, financial, and human resources were allocated to the management of the key IROs so that the measures listed above could be initiated or implemented.





Measures Regarding Working Conditions & Employee Satisfaction

The Group recognizes its special responsibility towards its employees. A focus is placed on fair and employee-friendly working conditions. These measures are managed, tracked, and monitored by the Human Resources department. Employees can always contact the Human Resources department with suggestions for improvement. (IRO 13, 15, 16)

Measures to Promote Occupational Safety and Health (IRO 16, 17)

Pankl is committed to achieving a high level of occupational safety performance at all locations and in all business units.

An essential component of occupational safety measures is the regular review of workplaces and processes for safety. This involves systematic workplace inspections, during which potential hazards are identified, documented, and appropriate improvement measures are defined and their implementation monitored.

In addition to these regular reviews, case-by-case analyses of workplace accidents and near misses are conducted to ensure continued workplace safety.

Pankl Group also implements further targeted measures to promote health and occupational safety. To support mental health, employees have access to various mental health services, such as confidential counseling sessions, workshops, and stress management programs. Furthermore, there is a campaign on the correct use of personal protective equipment (PPE), which is accompanied by training courses and informational materials. Compliance with PPE regulations is regularly reviewed by safety representatives

In addition, mandatory annual training is provided for all employees via e-learning programs, covering key occupational health and safety topics. Furthermore, the company's health management program includes measures for the ergonomic optimization of workstations as well as specific prevention programs, such as a skin care plan to prevent work-related skin diseases.

The "Safety Walk & Talk" is conducted quarterly, during which managers and safety specialists jointly inspect work areas to address topics such as PPE, ergonomics, organization, and psychological stress in the workplace. These inspections are supplemented by the Occupational Safety Committee (OSC) to ensure communication between relevant occupational safety stakeholders and to initiate continuous improvement. If a need is identified, resulting improvement measures are implemented, and appropriate equipment is provided.

Pankl Group also has structured concepts for emergency preparedness and hazard mitigation. This includes a comprehensive emergency management plan, regular evacuation drills, and established first aid and fire safety officer programs. Furthermore, safety officers are appointed and trained to act as multipliers for occupational safety in their respective areas.



Location	Measure	Status	Target	Expected results
Austria	Mental strength & team development (resilience journey)	Ongoing	Implementation of the "Resilience Learning Journey" and team-building workshops during structural changes (e.g., "Manfred & Pranger") Strengthening psychological resilience and improving team dynamics	Increased resilience and more stable teams after changes
	Integrated sustainability strategy at Pankl	Completed	In the "Enabling Transformation" project, supported by the ACStyria mobility cluster, Pankl, together with external experts and the internal sustainability department, analyzed the existing sustainability strategy. The existing decarbonization strategy was assessed as sound. Potential measures were identified for the areas of social responsibility and governance, which will be implemented in 2026 in cooperation with the relevant departments. Biodiversity and the circular economy were also addressed. Additionally, the department received support for data-driven management of sustainability performance.	Integrated ESG strategy and implementation of targeted measures in the areas of social and governance
Dalian	Working conditions & employee satisfaction	Ongoing	Fair, respectful, and tolerant working conditions Stability of salaries and allowances, provision of meals and a free shuttle bus Focus on long-term job security	Employee satisfaction

In addition to the standardized measures for employee safety and health (these are summarized in the published occupational health and safety guidelines, see section S1-1), the following measures were implemented in fiscal year 2025 (IRO 15):

Location	Measure	Status	Target	Expected results
Dalian	Occupational safety & health	Ongoing	Regular external inspection of the work environment, identification and assessment of hazards	Ensuring occupational safety and health
			Safety training and standardization of occupational safety ISO 9001 and ISO 14001 audits passed	
Austria	Occupational safety and prevention (Pankl Protected)	Ongoing	Medical examinations and annual health checks	Reducing workplace accidents and strengthening a safety culture
			Provision of personal protective equipment (PPE)	
	Sticker "Child and Youth Employment Act (KJBG)" for work equipment / hazardous substances	Ongoing	Conducting regular occupational safety training with a focus on proactive prevention	Sustainably reducing misuse through clear visual labeling
			Minimizing accident risks and protecting physical integrity	
Holistic Health Management (Pankl Health)	Ongoing	Labeling of relevant work equipment with our own "Pankl stickers" indicating compliance with the provisions of the Youth Employment Protection Act (KJBG). The stickers are affixed directly to the machines and equipment in question, as well as in relevant areas where hazardous substances are used, and indicate age-related usage restrictions and special safety regulations.	Increasing legal certainty for the company	
		Ensuring the legally compliant employment of apprentices and young employees in accordance with legal requirements. Increasing transparency regarding permissible activities and raising awareness among trainers and young people in daily work routines.	Strengthening safety awareness among apprentices and managers	
			Package of measures to promote physical and mental health (in-house occupational psychology, health corner, sports offers, culinary focus areas including Pankl cookbook).	Contributing to the prevention of work-related accidents
				Increased employee satisfaction and a strengthened immune system, especially during periods of illness

Location	Measure	Status	Target	Expected results
Austria	Filming of training sessions with apprentices	Ongoing	Production of practical training videos involving apprentices to visualize safety-relevant work processes and behaviors. The videos supplement existing safety training and are permanently available digitally.	Increased retention and comprehension of safety-related content
	Keynote presentation "Fundamentals of Occupational Safety" for apprentices	Completed	Structured introductory lecture on the fundamentals of occupational safety for apprentices, supplementing the legally required training. Early and comprehensive sensitization of apprentices to safety-relevant topics beyond the mandatory training. Fostering a holistic understanding of responsibility, personal accountability, and a culture of prevention.	Strengthening apprentices' identification with the company's safety goals Long-term reduction of safety-related incidents through improved knowledge transfer
Köflach	Monitoring of breathing air at welding workstations in the toolmaking department, Plant 1	Ongoing	Avoidance of health risks in the welding air supply	Sustainable establishment of a strong safety awareness from the very beginning of the apprenticeship, increased active participation in safety measures
	Multiple MAK and pollutant measurements at workplaces by AU-VA/ÖSBS	One-time occurrence, recurring when materials or equipment change.	Maximum workplace concentration (MAC) and pollutant measurements are conducted by external experts.	Positive influence on the company's safety culture
	Verification according to VEMF (Ordinance on Electromagnetic Fields) at the aluminum press, Unit 200	When necessary		Reduction in the number of accidents among apprentices
				Clean breathing air supply
				Protection of employees from health hazards
				Protection from health hazards.

Location	Measure	Status	Target	Expected results
Köflach	Reduction in the use of aerosol cans (especially brake cleaner) by regulating their distribution	Ongoing	Reduction of the use of hazardous substances (e.g., acetone) Annual reduction	In 2025, aerosol can consumption decreased by approximately 17.5%.
	Measurement of illuminance (lux) according to ÖNORM EN 12464-1 in Plant 2	Completed One-time	Compliance with standard-compliant lighting levels in the workplace	Compliant
	Assessment / evaluation of new installations or modifications by the prevention team (Plant 1 / Plant 2)	When necessary	Identification of necessary measures (environment, occupational safety) before commissioning / delivery of new equipment	Securing legal certainty
	Assessment / approval of new materials (including test articles) before initial use by the prevention team	Ongoing	Evaluation of potential hazards to the environment and employees, management of these substances in the hazardous materials register	Minimizing health and environmental risks to the greatest extent possible
	Evacuation drills Plant 1 / Plant 2	Ongoing	The goal of this emergency simulation is the complete evacuation of employees and training to promote discipline in emergency situations.	100% attendance at assembly points
	Fire drill / use of fire extinguishers	Ongoing	The goal is to learn the correct use of different types of fire extinguishers.	Employees must be able to extinguish small fires independently and quickly.

Training and Development Opportunities

The Group pursues an approach of promoting internal career paths and lifelong learning through training and development opportunities. These initiatives are managed, tracked, and monitored by the Pankl Academy team. Employees can always contact the team with questions or suggestions for improvement. The following measures were implemented in fiscal year 2025 (IRO 16):

Location	Measure	Status	Target	Expected results
Austria	Strategic personnel development	Ongoing	Comprehensive training catalog and targeted onboarding for new managers, dedicated training budget of approximately €400,000 for 2025 Professional qualification and ensuring high leadership quality	Increased professional excellence, higher product quality, and successful support during internal restructuring
	Comprehensive apprenticeship support (apprenticeship college & sports)	Ongoing	In 2025, the Pankl Academy opened in Kapfenberg, including the official relocation of graduates to the newly constructed apprentice workshop. A total of 37 apprentices began their training and benefit from the modern workshop as well as dedicated classrooms for theoretical instruction.	Strong identification with the company and enhanced social skills
	Comprehensive apprenticeship support (apprenticeship college & sports)	Ongoing	Holistic training beyond technical topics (financial check, presentation skills, team building, sports events) Promoting personal development and preparing young talent for all aspects of life	Strong identification with the company and enhanced social skills
	Open days at the apprenticeship workshop	Annually	With over 250 visitors, the Open Day at the Apprentice Workshop was a great success in 2025. Young people and their parents were able to get to know the company, try out different apprenticeships, and talk to the recruiting team, trainers, and apprentices.	Improved apprentice satisfaction
	German language support classes	Ongoing	In-house German language classes (target level B1) for employees whose native language is not German, also to support citizenship applications. Reducing educational barriers and promoting integration	Better career advancement opportunities and successful social integration

Location	Measure	Status	Target	Expected results
Austria	eCademy	Ongoing	The e-learning tool was further rolled out to the locations in Slovakia and Germany in 2025. The location in England will follow in 2026. The eCademy offers important online training courses on safety and quality topics, which must be completed regularly. Employees can learn flexibly and regardless of location, enabling cost efficiency and easy tracking of progress. Interactive content and quizzes promote a sustainable learning process, which is required for audits and certifications.	Cost-effective and transparent implementation of annual training courses
	Leadership development	Completed	The Strategic Leadership Program (SLP) started in 2024 and ended in 2025. Fifteen managers from international locations spent a week together under the motto "Together we lead" to acquire leadership skills and apply them in their work.	Improved career advancement opportunities and successful social integration
	Pankl Academy training catalog	Annually	The 2024 / 2025 training catalog was published in its sixth edition in Austria and includes both established and new courses, particularly on artificial intelligence (AI) and digitalization. This demonstrates the group's commitment to providing its employees with relevant professional development opportunities and adapting to the challenges of the modern workplace.	Increased employee skills
California	Internal leadership training	Completed	The HR department at the California site launched an internal leadership training program for supervisors to ensure the long-term application of the principles learned in the 2023 Dale Carnegie training. The program was completed in 2025.	Long-term application of learned principles
Dalian	Training & development	Ongoing	Induction training (HR, QA, Safety), preparatory training by job function, and internal and external on-the-job training were all part of the program.	Promotion of skills, safety, and teamwork

Measures to Promote Diversity and Equal Opportunities

Pankl places particular emphasis on ensuring that all employees are treated fairly and respectfully. Social justice is to be promoted, while discrimination and inequality are to be combated and avoided. These measures are managed, tracked, and monitored by the Human Resources department. Employees can always contact the Human Resources department with questions or suggestions for improvement. (IRO 15, 16)

Location	Measure	Status	Target	Expected results
Austria	Inclusion project with "Jugend am Werk"	Completed	This project focuses on the targeted integration of people with disabilities in the field of warehouse logistics. A key element is the constant feedback between team leaders and young people.	Identifying specific barriers and sustainably promoting an inclusive work environment, as well as defining fields of activity that can be optimally performed by young people.
	Female leadership program	Ongoing	Initiative for the targeted promotion and qualification of female managers within the company through mentoring and specific training. Increasing gender diversity at the management level and reducing structural disadvantages.	Promoting equal opportunities and a measurable increase in the proportion of women in management positions.
	Cooperation with the Center for Vocational Training Management (ZAM)	In implementation	In close cooperation with the training team for machining technology apprenticeships, the group offers intensive support for adults during a 28-month vocational training program. Targeted support for a marginalized group entering technical professions (second-chance education).	Successful completion of apprenticeships and long-term integration as skilled workers into the primary labor market.
	Individual and integrative talent development	Completed	Program for regular exchange between supervisors and employees with a migration background, including specific development discussions. Identification of individual career potential and promotion of marginalized talent.	Visible career advancement opportunities (e.g., development to deputy team leader) and serving as role models within the workforce.
	Support program for apprentices with special cognitive impairments	Ongoing	Specialized support system for apprentices with particular physical or cognitive impairments (e.g., autism spectrum).	Establishing an inclusive training culture and ensuring the long-term employability of disadvantaged young people.

Location	Measure	Status	Target	Expected results
Austria	Structured reintegration part-time work	Ongoing	Following extended periods of absence due to health reasons, Pankl offers all employees a supported return to work in cooperation with occupational health services.	Preserving the workforce and preventing long-term disability
	Focus on Communication "Mental Health"	Ongoing	A year-round communications campaign with monthly changing themes, such as loneliness ("Together instead of alone") or seasonal stress ("November blues"), is implemented.	Destigmatizing mental health issues and promoting an inclusive work environment
California	Equal pay	Completed	Since 2022, the salary dashboard at the California location has ensured that all employees—regardless of gender, ethnicity, or other protected characteristics—receive equal pay for equal work. In 2024, it was enhanced with external market data and performance indicators and continued to be used in 2025.	Achieving equal pay
	Ladies Lunch	Annually	An annual "Ladies' Lunch" is held to increase the visibility of women and provide a forum for discussing relevant topics.	Empowering women in the industrial sector
	Cultural and religious practices	Ongoing	In California, various cultural and religious practices are recognized and accommodated in the workplace, including providing time and space for prayer and granting time off for religious holidays.	Promoting diversity and acceptance
	Training on the Workplace Violence Prevention Program (WVPP)	Annually	To raise awareness of the risks of workplace violence, ensure that employees understand reporting procedures, and support the safety of employees in higher-risk or frontline roles.	Improved awareness of safety protocols, reduced accident risk, and increased protection for employees who may be more exposed to workplace hazards.

Data Protection Measures

Pankl Group consistently implements data minimization measures in various business units and continuously works on improvements in applicant management. Annual employee training ensures that the measures defined in internal processes are effectively implemented in daily work and that all employees are aware of the importance of data protection. This combination of targeted measures and processes significantly contributes to preventing data breaches and strengthens the trust of employees and business partners. No specific data protection measures were implemented in the fiscal year 2025. The focus was on the continuous improvement and revision of existing data protection documentation.

To date, no cases are known in which individuals' data protection rights have been significantly violated. The introduction of mandatory e-learning and the regular updating of guidelines therefore serve to proactively prevent such cases. (IRO 17)

KEY RATIOS AND TARGETS

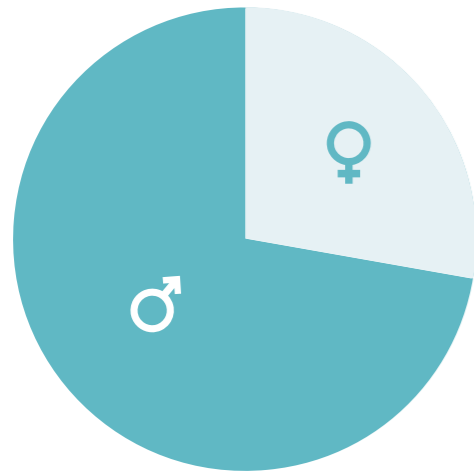
S1-5 Targets Related to Managing Material Impacts, Advancing Positive Impacts, as well as to Risks and Opportunities

No objectives have yet been defined regarding the IROs related to the group's workforce. The effectiveness of the concepts and measures concerning key IROs is monitored individually by the departments responsible. Examples of how measures are monitored can be found in section S1-4. However, there is currently no overarching procedure for monitoring effectiveness.

S1-6 Characteristics of Undertaking's Employees

Per 31 December 2025, Pankl Group employed 2,115 people, of whom 1,737 were in Europe and 251 in the USA. The corresponding figure in the 2025 consolidated financial statements can be found in Note 21, "Employees." A total of 389 employees left the Group during the fiscal year, resulting in an employee turnover rate of 18.5%. This is partly due to workforce reductions resulting from the current economic situation in the automotive and aerospace sectors. Further information on the procedure can be found in Section SBM-2 in the chapter on ESRS 2 and in the section on SBM-3 in this thematic standard.





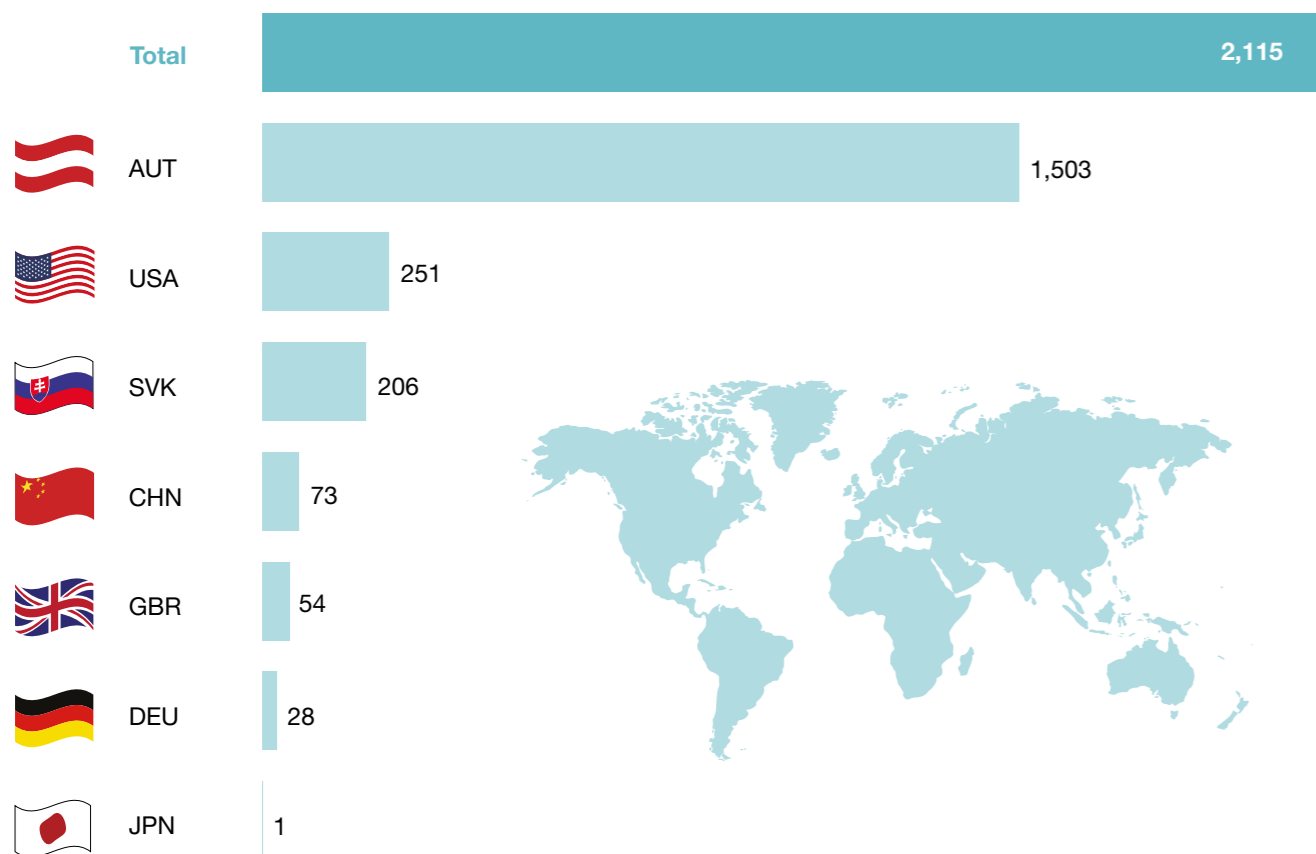
ESRS S1-6 50 a
[headcount]

	2025	2024
♂ Male	1,528	1,616
♀ Female	587	674
♀♂ Diverse	0	0
- Not specified	0	0
Total	2,115	2,290

ESRS S1-6 50 a
Country [headcount]

	2025	2024
Austria	1,503	1,550
Germany	28	30
USA	251	260
Slovakia	206	274
China	73	118
United Kingdom	54	58
Japan	1	1
Total	2,115	2,290

ESRS S1-6 50 a
[headcount]



2025				
ESRS S1-6 50 b [headcount]	Number of employees	Employees with permanent employment contracts	Employees with fixed-term contracts	Number of on-call staff
♂ Male	1,528	1,521	4	0
♀ Female	587	586	1	0
♀♂ Diverse	0	0	0	0
- Not specified	0	0	0	0
Total	2,115	2,107	5	0

2024				
ESRS S1-6 50 b [headcount]	Number of employees	Employees with permanent employment contracts	Employees with fixed-term contracts	Number of on-call staff
♂ Male	1,616	1,612	4	0
♀ Female	647	647	0	0
♀♂ Diverse	0	0	0	0
- Not specified	0	0	0	0
Total	2,290	2,286	4	0

S1-9 Diversity Ratios

ESRS S1-9 64 a		2025	2024
♂	Male - Number of employees in management positions [headcount]	93	113
	Male - Percentage of employees in management positions [%]	79.5	82.0
♀	Female - Number of employees in management positions [headcount]	24	25
	Female - Percentage of employees in management positions [%]	20.5	18.0
👤	Diverse - Number of employees in management positions [headcount]	0	0
	Diverse - Percentage of employees in management positions [%]	0	0
-	Not specified - Number of employees in management positions [headcount]	0	0
	Not specified - Percentage of employees in management positions [%]	0	0
Total - Number of employees in management [headcount]		117	138

ESRS S1-9 64 b Age groups		2025	2024
	< 30 years - Number of employees [headcount]	590	639
	< 30 years - Share of employees [%]	27.9	27.9
	30 - 50 years - Number of employees [headcount]	1,102	1,218
	30 - 50 years - Share of employees [%]	52.1	53.2
	> 50 years - Number of employees [headcount]	423	433
	> 50 years - Share of employees [%]	20.0	18.9

S1-13 Training and Skills Development Metrics

ESRS S1-13 83 a Career development evaluation		2025	2024
♂	Male - Number of employees with regular career development evaluation [headcount]	734	907
	Male - Share of employees (total) with regular career development evaluation [%]	34.8	63.6
♀	Female - Number of employees with regular career development evaluation [headcount]	324	520
	Female - Share of employees (total) with regular career development evaluation [%]	15.3	36.4
👤	Diverse - Number of employees with regular career development evaluation [headcount]	0	0
	Diverse - Share of employees (total) with regular career development evaluation [%]	0	0
-	Not specified - Number of employees with regular career development evaluation [headcount]	0	0
	Not specified - Share of employees (total) with regular career development evaluation [%]	0	0
Total - Number of employees with regular career development evaluation [headcount]		1,058	1,427
Total - Share of employees with regular career development evaluation [%]		50.1	62.3

ESRS S1-13 83 b Average number of training hours per year [hours]		2025	2024
♂	Male	11.5	18.7
♀	Female	9.5	18.6
👤	Diverse	0	0
-	Not specified	0	0
Total		20	37.3

Company-specific disclosure: Training related to data protection	2025	2024
Persons trained online in data protection - Number of employees trained in data protection [headcount]	1,847	2,095
Persons trained online in data protection - Percentage of employees trained in data protection [%]	87.5	91.5

S1-14 Health and Safety Metrics

Per 31 December 2025, 100% of the workforce was covered by a management system, or a similar system, for health and safety. This corresponds to all employees in Pankl Group.

ESRS S1-9 88 b-d Reportable workplace accidents [number]	2025	2024
Deaths due to work-related injuries	0	0
Deaths due to work-related illnesses	0	0
Reportable work-related illnesses	0	0
Reportable work-related injuries	46	60
Rate of reportable workplace accidents [Reportable accidents / 1,000,000 working hours]	14.7	13.6

ESRS S1-14 88 e Work-related absences by reason [number]	2025	2024
Reason 1: Work-related injuries resulting from workplace accidents	772	627
Reason 2: Fatalities resulting from workplace accidents	0	0
Reason 3: Work-related illnesses	0	0
Reason 4: Fatalities resulting from work-related illnesses	0	0
Total	772	627



S1-16 Compensation Metrics (Pay Gap and Total Compensation)

ESRS S1-16 97 a-b Compensation ratios	2025	2024
Gender-Pay-Gap [%]	20.1	26.1
Ratio of the total annual compensation of the highest-paid individual to the median total annual compensation of all employees [ratio]	13.9 : 1	20.1 : 1

The gender pay gap, defined as the difference between the average wage level of female and male employees, expressed as a percentage of the average wage level of male employees, was 20.1% in the fiscal year 2025. This is largely attributable to management positions and part-time work arrangements.

The ratio of the total annual compensation of the highest-paid individual to the median total annual compensation of all employees (excluding the highest-paid individual) was 13.9:1.

More detailed descriptions of the calculation methods can be found in section 3, "Calculation Principles and Assumptions," of this standard.

S1-17 Incidents, Complaints and Severe Human Rights Impacts

ESRS S1-17 102-104 Incidents related to human rights	2025	2024
Total number of discrimination incidents, including harassment, reported during the reporting period [number]	4	0
Number of complaints submitted through OECD channels and, where applicable, national contact points for multinational enterprises [number]	7	0
Total amount of significant fines, sanctions, and compensation payments related to the described incidents and discrimination complaints [€]	30,251	0
Number of serious human rights cases [number]	0	0
Total amount of significant fines, sanctions, and compensation payments related to the serious human rights cases [€]	0	0

Key Figures and Targets Regarding the Whistleblower System (Company-specific Information)

In 2025, three cases were reported via the whistleblower systems, of which all three were not compliance relevant.

CALCULATION PRINCIPLES AND ASSUMPTIONS

ESRS Disclosure requirement	Chapter	Data point, disclosure	Valuation principles and assumptions
General information on the quantitative data points regarding employees			Unless otherwise stated, the evaluations were performed using data from the ERP system. The data was consolidated in a software tool. Further information can be found below. With the exception of the employee turnover rate, all figures and calculations are based on data from the reporting date 31 December 2025.
S1-6	50a	Employees by gender and country	To date, no employee has indicated their gender as "diverse." This option is available globally. Gender was recorded for all employees.
S1-6	50b	Employees by contract type	Fixed-term contracts were concluded with freelancers, interns, and seasonal workers. All other employees had permanent contracts. Pankl does not employ on-call workers (defined as employees without a guaranteed minimum number of working hours).
S1-6	50c	Employee turnover	The definition of turnover includes natural attrition. Departures due to the expiration of fixed-term contracts were not included. The employee turnover rate was calculated based on the average number of employees in the fiscal year 2025.
S1-9	66a	Gender distribution in management	The definition of managers used includes managing directors, division heads, and sub-division heads.
S1-9	66b	Employee age distribution	See general information on quantitative data points regarding the Group's employees.
S1-13	83b	Training hours per employee	Monitoring of successfully completed training courses is done in the ERP system. To calculate the average training hours per employee by gender, the total number of training hours per gender was summed and divided by the gender-specific headcount.
Company-specific disclosure		Data protection training figures	Monitoring of successfully completed data protection training courses is done online via the e-learning system. The system sends invitations to the employees registered in the ERP system.
S1-14	88a	Health and safety management	Pankl bases its occupational health and safety management system at its Austrian locations on that of the ISO certification. All employees at the included locations are covered by this management system.
S1-14	88b, d, e	Occupational safety indicators	Key performance indicators for Pankl Group are collected via the intranet. Data for the international companies has been requested, and the total has been reported.
S1-14	88c	Reportable workplace accident rate	Key performance indicators are collected via the intranet. Data for the international companies has been requested, and the total has been reported. To calculate the rate of reportable workplace accidents, the number of reportable workplace accidents was divided by the total number of hours worked by the workforce and multiplied by 1,000,000. The number of hours worked for the reportable workplace accident rate was recorded using the ERP system or manually.

ESRS Disclosure requirement	Chapter	Data point, disclosure	Valuation principles and assumptions
S1-16	97a	Gender-Pay-Gap	To determine the gender pay gap, the salaries, including all bonuses, and the actual hours worked (actual hours) of all male and female employees with active employment per 31 December 2025, were analyzed for the entire 2025 fiscal year. The gender pay gap was calculated using the following formula: (Average gross hourly earnings for men – Average gross hourly earnings for women) / Average gross hourly earnings for men. For the Austrian locations, the raw data was analyzed directly via the payroll software. For locations outside Austria, extracts of salaries and actual hours worked from the location-specific ERP systems were used.
S1-16	97b	Wage gap between all employees and the highest-paid person	To determine the earnings disparity, all employees with active employment per 31 December 2025, were included in the analysis, which covers the entire 2025 fiscal year. For the Austrian locations, salary data, including all bonuses, was analyzed directly via the payroll software. At the international locations, the corresponding salary data, including bonuses, was extracted from the location-specific ERP systems. Individual total annual compensation was aggregated, and the median value was calculated. This value was then compared to the total compensation of the highest-paid employee.
S1-17	103 a-d, 104 a, b	Cases of discrimination and serious human rights incidents	The Legal Department is responsible for monitoring the reporting systems for discrimination and for investigating serious human rights violations. The seven incidents were attributed to discrimination / harassment (four times), bribery/corruption (once), conflicts of interest (once), and other (once).



ESRS S2 WORKERS IN THE VALUE CHAIN

STRATEGY

ESRS 2 SBM-3 Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model

Topic	IRO	Major impacts, risks, or opportunities		Time horizon		
				Short-term	Medium-term	Long-term
Working conditions, employment-related rights	18	<p>Potentially poor working conditions in certain sectors of the upstream value chain</p> <p>In certain sectors of the upstream value chain, systemic risks such as inadequate occupational safety, discrimination, unequal treatment, inadequate pay, and child and forced labor can occur. (systemic)</p>	Potential negative impacts (VC)	✓	✓	✓

The identified negative impacts are those that could potentially occur in the upstream value chain. They were identified as part of a Value Chain Risk Analysis (further information can be found in section S2-4).

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

S2-1 Policies Related to Value Chain Workers

Policy Statement on Respect for Human Rights

To ensure the most comprehensive possible protection of individual rights, a policy statement has been published, which, like the whistleblower policy, is accessible on Pankl Group's corporate website. It underscores the company's commitment to complying with all relevant laws and guidelines, particularly in the area of human rights. The appropriate managers and ultimately the Management Board or the managing directors are responsible for its implementation. (IRO 18)

Guidelines for the Whistleblower System

Pankl has established a global whistleblower system (see section G1-1 for information on the content of the internal policy, its scope, responsibilities, and availability) that is accessible to employees and third parties. Workers in the value chain can contact the whistleblower system at any time. (IRO 18)

Code of Conduct

The Code of Conduct is the central document governing conduct within the company and among business partners – including suppliers – and prohibits all forms of child or forced labor. The Code of Conduct outlines principles relating to human rights, respect, integrity, health and safety, and occupational safety.

Pankl commits itself and its business partners to complying with all applicable national and international laws, regulations, and rules, as well as the ILO core labor standards. Further information, such as its availability, scope, responsibilities, and links to international standards and guidelines, can be found in Section G1-1. (IRO 18)

Should violations of the Code of Conduct or the policy occur despite preventative measures, the company will initiate appropriate action. The central objective is to rectify and prevent violations and to actively and effectively improve the sustainability performance of its business partners. In serious cases or in the event of refusal to comply with the measures, Pankl reserves the right to terminate the ongoing business relationship.

No cases of non-compliance with the Code of Conduct in the upstream and downstream supply chain were reported in fiscal year 2025. Further measures regarding the rights and working conditions of workers in the upstream and downstream value chain can be found in section S2-3.



S2-2 Processes for Engaging with Value Chain Workers about Impacts

The group currently has no procedure for involving the workforce in the value chain regarding impacts. Potential impacts in the value chain were identified using Value Chain Risk Analysis (see S2-4 for further information), which is considered an indirect form of workforce involvement. In addition, workforces in the value chain can contact the established whistleblower system at any time (see G1-1). All incoming reports are individually reviewed, and follow-up actions are taken as necessary.

S2-3 Processes to Remediate Negative Impacts and Channels for Value Chain Workers to Raise Concerns

Reporting options for workers in the value chain, as well as other measures to promote the implementation of the Code of Conduct, are described in detail in section G1-1. These reporting options are accessible to employees and third parties, including workers in the value chain. The follow-up of reported issues is also described in detail in section G1-1 and is coordinated by the legal department. The whistleblower system policy described in G1-1 defines regulations for the protection of whistleblowers. Currently, there are no procedures in place to promote the availability of these procedures at the workplace of workers in the value chain. To date, workers in the value chain have not been explicitly involved in the implementation of the reporting channels.

S2-4 Taking Action on Material Impacts on Value Chain Workers, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Value Chain Workers, and Effectiveness of those Actions

To identify potential sustainability risks in the value chain at an early stage, these are examined. All business partners are analyzed using a risk management tool, and their risk status is continuously evaluated. In addition, the Value Chain Risk Analysis developed in 2024 was updated accordingly in the fiscal year 2025. This analysis aims to identify supplier-specific risks by evaluating the upstream value chain regarding the raw materials purchased and their countries of origin, using publicly available indices and studies, which were also expanded in 2025. Furthermore, Tier 1 suppliers are analyzed in the same way based on their purchasing volume. This risk assessment is incorporated into the ESG risk analysis and serves as indicators for the dual materiality analysis. (IRO 18)

The Group ensures the continuous monitoring, evaluation, and improvement of its efforts to fulfill its due diligence obligations regarding human rights.

Reports received through the whistleblower system are investigated. To date, no reports of violations have been received that have led to legally relevant compliance cases. Reports are identified and handled by internal experts in purchasing, the legal department, and quality management. Should violations of the Code of Conduct or other relevant, agreed-upon compliance guidelines occur, Pankl reserves the right to enforce appropriate measures. The Code of Conduct establishes the framework for business activities and those of its business partners, thus contributing to the prevention of negative impacts on the workforce in the value chain. These are described in S2-1.

Material, financial, and personnel resources have been allocated to the management of the major IROs to enable the initiation or implementation of the aforementioned measures.

Reported Cases of Non-compliance with the Code of Conduct in Upstream and Downstream Value Chains (ESRS S2-4, Chapter 36)

Data point	2025	2024
Number of reported cases of non-compliance with the Code of Conduct in upstream and downstream value chains	0	0
Number of reported cases of non-compliance with the Code of Conduct in upstream and downstream value chains that have led to compliance relevant cases	0	0



KEY RATIOS AND TARGETS

S2-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

To date, Pankl has not set any targets regarding IROs related to the workforce in its value chain. The effectiveness of the concepts and measures concerning the key IROs is monitored individually by the responsible departments. However, there is currently no overarching procedure for monitoring effectiveness.

Company-specific Information

In 2025, the purchasing volume for the Austrian sites amounted to approximately €90m. This figure encompasses the global supply chain. Nearly half of the raw materials purchased at Pankl's Austrian sites originate from Austria. Overall, approximately 80% are sourced within Europe. Pankl Group's analysis considered the likelihood of inadequate working conditions in the upstream value chain, specifically regarding the countries of origin of the primary materials and the Tier 1 suppliers. Due to the high proportion of purchasing volume from Europe, the risk of inadequate working conditions, as well as child and forced labor, can be assessed as reduced. (IRO 19)

CALCULATION PRINCIPLES AND ASSUMPTIONS

ESRS disclosure requirement	Chapter	Data point, disclosure	Valuation principles and assumptions
Geographic breakdown of purchasing volume (company-specific information)			The evaluation is carried out using the ERP system. Total purchases for Austria are reported.
Assessment of the ESG risk of suppliers (company-specific information)			The categorization of suppliers is based on the Value Chain Risk Analysis, taking into account both abstract and concrete risks. The analyses are performed in Excel.
ESRS S2-4	36	Reported cases of non-compliance with the Code of Conduct	Cases received through the whistleblower systems were evaluated. This is monitored by the legal department. The legal department serves as the contact point for the national contact point in connection with the OECD Guidelines. No complaints were forwarded via the contact points in the fiscal year 2025.



GOVERNANCE

ESRS G1 BUSINESS CONDUCT

ESRS 2 SBM-3 Material Impacts, Risks, and Opportunities and their Interaction with Resource Use and Circular Economy

Topic	IRO	Major impacts, risks, or opportunities		Time horizon		
				Short-term	Medium-term	Long-term
Corporate culture	19	Promoting a responsible corporate culture (including whistleblowing, IT security, and cybersecurity) Together with its employees and external business partners, the Group fosters a responsible corporate culture focused on innovation, quality, teamwork, and transparency. This strengthens commitment and sustainable value creation. An established whistleblowing system and high IT security standards also ensure integrity, data protection, and compliance.	Actual positive impacts (OO, VC)	☑	☑	☑
Managing supplier relationships, including payment practices	20	Long-term partnerships with suppliers By building long-term relationships with suppliers, the Group can promote fair payment practices, secure stable supply chains, and guarantee high-quality supplies.	Potential positive impacts (OO, VC)		☑	☑
Corruption and bribery	21	Risk of corruption and bribery incidents and related events to prevent and detect The Group recognizes corruption and bribery as potential risks in business and administration. To prevent incidents and detect them early, the company relies on binding codes of conduct, training, internal controls, and a confidential whistleblowing system. This minimizes legal, financial, and reputational risks and strengthens integrity and trust in corporate governance.	Potential risk (OO, VC)	☑	☑	☑



MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

G1-1 Business Conduct Policies and Corporate Culture

Code of Conduct

Pankl has a Code of Conduct that forms the basis for a responsible and ethical corporate culture. It applies to all employees, managers, and board members, as well as business partners. The Code of Conduct includes detailed guidelines on upholding human rights, environmental protection, fair working conditions, and ethical business practices. It also mandates strict compliance with international standards such as the OECD Guidelines, ILO Conventions, and agreements against child and forced labor (in particular, ILO C138 on the minimum age for admission to employment, ILO 182 on the prohibition of and immediate action to eliminate the worst forms of child labor, ILO 29 on forced or compulsory labor, and ILO 105 on the abolition of forced labor). The Code of Conduct is permanently available on the company website, making it transparent and easily accessible to all relevant stakeholders.

To effectively identify and investigate concerns regarding potential violations of the Code of Conduct, a system of internal and external reporting channels has been established, including an anonymous whistleblower system. This enables employees and third parties to report violations securely, confidentially, and, if desired, anonymously. Whistleblower protection is firmly anchored in the company's principles, and sanctions against whistleblowers acting in good faith are excluded. Compliance with national and international anti-corruption regulations is ensured (e.g., UNCAC, OECD Guidelines for Multinational Enterprises). See also further explanations in sections S1-2 and S1-3.

To ensure that all employees—regardless of their position or role—understand the company's ethical standards and implement them in their daily work, an annual, mandatory e-learning program on the Code of Conduct has been introduced. The e-learning module is continuously updated. It addresses specific examples of corruption and bribery to provide employees with practical scenarios and promote an understanding of potential risks. Furthermore, a policy has been developed that contains clear guidelines for conduct and recommendations for action to prevent corruption and bribery (see Policy on Accepting Benefits and Gifts, G1-1). The contact details of the legal department are provided directly in the e-learning module. This allows employees to receive individual advice from the legal department if they have specific questions or uncertainties.

Pankl strictly adheres to national and international anti-corruption guidelines and has established a clear zero-tolerance policy towards corruption and bribery in its Code of Conduct. This policy is supported by training for all employees. Certain functions, especially management positions with direct contact to external partners, are particularly exposed to the risk of corruption due to their decision-making authority. Corruption can begin with small, seemingly insignificant actions, which is why every function is potentially at risk. This underscores the necessity of group-wide awareness training.

In cases of suspected violations of the compliance guidelines, internal investigations are initiated immediately. These investigations are conducted independently by the legal department and, if necessary, supported by external experts. As soon as a report is received, it is reviewed and undergoes an initial assessment by the legal department. Specific steps are then initiated on a case-by-case basis. First, relevant information is gathered, and discussions are held with the individuals involved. If necessary, meetings are held with supervisors, the human resources department, and/or external experts. These discussions serve to fully clarify the facts and plan the necessary measures.

Appropriate measures are then taken, ranging from warnings to disciplinary action. Each measure is carefully coordinated with the relevant internal departments and consistently implemented. Further steps can also be derived from the reports, such as the creation of new guidelines by the legal department to raise employee awareness. Managers are also obligated to take preventative measures to avoid hazards and ensure safe working practices. The Code of Conduct is regularly reviewed by the legal department and updated as needed to maintain high standards. Implementation of the Code of Conduct is ensured by the specialist departments, the managers responsible, and ultimately, the Management Board. (IRO 19, 20, 21)

Policy on Handling Invitations and Accepting Gifts

Pankl Group has an internally available policy on the proper handling of invitations and the acceptance of benefits and gifts. To avoid conflicts of interest, clear and strict rules have been established for employees when extending and accepting invitations. The aim is to prevent bribery, corruption, and other criminal activities. Business partners are also obligated to make decisions solely on an objective basis, as stipulated in the Code of Conduct. The policy is prepared by the legal department and updated as needed. The relevant departments or managers, and ultimately the Management Board, are responsible for promoting its implementation. At Pankl Group, this policy is distributed to the relevant groups of employees via the eLearning system and is accessible to all employees on the intranet. (IRO 19, 20, 21)

Guidelines for Using the Whistleblower System

The whistleblower guidelines serve to structure the process and protect whistleblowers when reporting within the framework of the whistleblower system. The guidelines stipulate the reporting process as well as information on confidentiality and data protection. The guidelines are prepared by the legal department and updated as needed. The appropriate managers and ultimately the Management Board are responsible for their implementation. (IRO 19, 21)

Information Security Framework Policy

The internal information security policy protects information by ensuring confidentiality, availability, and integrity, and is based on the requirements of ISO 27001. It applies to all employees, affiliated units, and third parties who work with the relevant information systems, as well as to all systems connected to the networks (e.g., mobile and network devices). The policy serves as a framework for ensuring information security. Information security is an essential part of data protection. It ensures that legal and contractual requirements are met and risks are minimized. Data protection is maintained through the responsible handling of personal data and the principles of data minimization, as well as regular deletion after the purpose has been fulfilled. Security and awareness are strengthened through targeted measures to ensure a high level of security. The Information Security department and ultimately the Management Board are responsible for implementing this policy, which is accessible to employees via the intranet. (IRO 19)

Further information on the establishment, development, and promotion of the internal corporate culture can be found in section S1-4, Measures relating to working conditions and employee satisfaction, and in section S1-4, Training and professional development opportunities.

G1-2 – Management of Relationships with Suppliers

Pankl Group has defined valid standard purchasing conditions that regulate the essential aspects of procurement, including payment terms and quality requirements. These conditions do not differentiate based on supplier size. Individual agreements can also be concluded with suppliers as needed. To assess and monitor social and environmental sustainability performance within the supply chain, the Pankl Group uses a Value Chain Risk Analysis, the methodology of which is explained in more detail in section S2-4. One component of this analysis is a standardized self-assessment questionnaire in which suppliers are asked about relevant sustainability aspects.

G1-3 Prevention and Detection of Corruption and Bribery

Update of the Code of Conduct and related guidelines: The Code of Conduct, including its content on combating corruption and bribery, and related guidelines were updated and revised in 2023, and another update is planned for 2026. Compliance with the Code of Conduct is mandatory for all employees and business partners. The e-learning course "Code of Conduct" is to be completed annually by all employees and supports them in its implementation.

The e-learning course for the Code of Conduct and related e-learning is scheduled to be revised and updated in 2026 to continue meeting current requirements. Updates to the guidelines, policies, and other online training materials will also continue in the future to respond to changes in the business environment.

G1-3 Own workforce (including management)	2025	2024
Training coverage		
Total	2,115	2,290
Total number of persons trained	1,854	2,012
in %	87.7	87.9
Training method and duration		
Computer-based training	about 15 minutes	about 15 minutes
Frequency		
How often is training required?	Annually	Annually
Topics covered		
Definition of compliance	✓	✓
Code of conduct and corporate culture	✓	✓
Human rights, respect and integrity, diversity, fair working conditions, and sustainability	✓	✓
Fair competition and antitrust law	✓	✓
Conflicts of interest, handling of company property and trade secrets, data protection	✓	✓
Corruption and bribery, money laundering and terrorist financing, export control	✓	✓

Corruption and bribery can start on a small scale, which is why Pankl pursues a preventative approach: Potentially, all employees can come into contact with such risks, regardless of their function or department. For this reason, the e-learning course is aimed at all employees in the group who are connected to the system.

Measures to Promote the Whistleblower System

Since the introduction of the reporting system, internal and external whistleblowers have been able to submit reports via the system. This is accessible through the company website. The legal department monitors and evaluates reported cases directly within the system to ensure efficient control and prompt processing. Further information on following up on reports and the publication of the relevant guidelines can be found in section G1-1. These measures are part of the ongoing efforts to further improve the prevention of corruption and bribery and to make corporate policy even more effective. Feedback from employees received through the reporting channels provides insights into trust in the corporate culture and ethical business practices.

Cybersecurity Measures

Pankl addresses IT and cyber risks through the continuous development of security measures, the use of current technologies, and a multi-layered security concept. (IRO 20, 21)

Location	Measure	Status	Description and target of measure	Expected results
Austria	Information security development (ISEC) and risk overview with new tool "Hitguard" via "Pilot PASE"	In implementation	Ongoing central and local ISEC steering committee meetings with management and quality management for optimization purposes.	Risk minimization
	TISAX certification including internal audit	In implementation	TISAX certification has been successfully completed at selected locations in recent years. Additional locations are currently preparing for internal audits and certification cycles. Certification for all locations is expected to be completed by the end of the second quarter of 2027.	Obtain TISAX certification at all relevant locations
	Business simulations	In implementation	Business simulations and workshops, including the development of action plans, on the topic of Business Continuity Management (BCM) and building security, as required for TISAX certification, have been conducted.	Identify and develop measures
	NIS2 directive	In implementation	The NIS2 directive is an EU regulation aimed at strengthening cybersecurity. It expands existing requirements for risk management, incident reporting, and the protection of critical infrastructure. A project was completed in June 2025 to ensure that all necessary measures can be identified and implemented in compliance with the law.	Implement the NIS2 directive in compliance with regulations
	Automated analysis of reported emails	In implementation	Phishing analysis is facilitated, thereby reducing response and feedback times. The project was launched in 2025Q2 and is scheduled for completion by 2026Q2.	The solution has been implemented and handed over
	Darknet and perimeter monitoring	Ongoing	Monitoring of the darknet for access and sensitive information, as well as the IT perimeter for configuration changes and security vulnerabilities. Implementation began in 2025Q1.	Close security gaps
	SMB share monitoring	Completed	Monitoring of releases for configuration errors. This measure was completed in 2025Q4.	Close security gaps
	Disaster management	Completed	Testing of recovery capabilities after a system failure due to a natural disaster or attack, and expansion of emergency plans. This project ran between the first and fourth quarters of 2025.	Close security gaps
	Evaluation of endpoint protection software	Completed	Evaluation of alternative solutions for securing endpoints and servers. This measure ran between the third and fourth quarters of 2025.	Close security gaps

KEY RATIOS AND TARGETS

Specific parameters have been defined to evaluate the performance and effectiveness of measures related to key internal policies and guidelines. These parameters enable progress monitoring, particularly in the areas of corporate culture, whistleblower protection, and the prevention of corruption and bribery.

The defined key performance indicators are directly linked to the Code of Conduct and its associated guidelines and are intended to ensure a responsible corporate culture, whistleblower protection, and the prevention of corruption and bribery.

G1-4 Confirmed Incidents of Corruption or Bribery

In the fiscal year 2025, no violations of corruption and / or bribery regulations or other compliance cases were identified that would have resulted in legal proceedings. There were no cases that led to disciplinary action or even dismissal.

No contracts with business partners had to be terminated or not renewed due to violations. Furthermore, no public court proceedings for corruption or bribery were initiated or concluded.

G1-4, 24-25 Data point [number]	2025	2024
Number of convictions for violations of corruption and bribery regulations	0	0
Amount of fines for violations of corruption and bribery regulations [€]	0	0
Total number and type of confirmed cases of corruption and bribery	0	0
Number of confirmed cases in which employees were dismissed or disciplined for corruption and bribery	0	0
Number of confirmed cases relating to contracts with business partners that were terminated due to corruption and bribery	0	0

This absence of violations reflects the effectiveness of preventive measures, which are supported by regular training and awareness programs. In particular, the mandatory annual e-learning course on the Code of Conduct ensures that all employees are familiar with and can apply company policies. During the reporting period, 87% of employees successfully completed this online training. (IRO 19, 21)

CALCULATION PRINCIPLES AND ASSUMPTIONS

ESRS disclosure requirement	Chapter	Data point, disclosure	Calculation principles and assumptions
G1-3	21	Information on training regarding corruption and bribery	The successful completion of training courses on the prevention of corruption and bribery is monitored online via the e-learning system, which sends invitations to all employees connected to it. The rollout of the e-learning system will be further accelerated in 2026.
G1-4	24a	Legal action following violations of corruption and bribery regulations	The legal department is responsible for monitoring legal action resulting from violations of corruption and bribery regulations.
G1-4	25a	Confirmed cases of corruption and bribery	The legal department is also responsible for monitoring corruption and bribery incidents.
G1-4	/	Key figures and objectives regarding the whistleblower system	The legal department oversees the whistleblower systems. These systems are accessible to internal and external stakeholders.

DISCLOSURE REQUIREMENTS

Disclosure requirements ESRS2 – General information		Chapter	Omission, explanation
BP-1	General basis for preparation of sustainability statements	BP-1	
BP-2	Disclosures in relation to specific circumstances	BP-2	The information can be found in the chapter ESRS 2 BP-2 as well as in the chapters in the topic standards.
GOV-1	The role of the administrative, management, and supervisory bodies	GOV-1	
GOV-2	Information provided to and sustainability matters addressed	GOV-2	
GOV-3	Integration of sustainability-related performance in incentive schemes	GOV-3	
GOV-4	Statement on due diligence	GOV-4	
GOV-5	Risk management and internal controls over sustainability reporting	GOV-5	
SBM-1	Strategy, business model and value chain	SBM-1	Phase-in for chapters 40b and c.
SBM-2	Interests and views of stakeholders	SBM-2	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SBM-3	The information can be found in chapter ESRS 2 SBM-3 as well as in the chapters in the topic standards. Phase-in for chapter 48e.
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	IRO-1	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	IRO-2	

Disclosure requirements ESRS E1 - Climate change		Chapter	Omission, explanation
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	ESRS 2 GOV-3	
E1-1	Transition plan for climate change mitigation	E1-1	Transition plan is available
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2 SBM-3; E1 ESRS 2 SBM-3	The information can be found in chapter ESRS 2 SBM-3 and in the topic standard.
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	ESRS 2 IRO-1	
E1-2	Policies related to climate change mitigation and adaptation	E1-2	
E1-3	Actions and resources in relation to climate change policies	E1-3	
E1-4	Targets related to climate change mitigation and adaptation	E1-4	
E1-5	Energy consumption and mix	E1-5	
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	E1-6	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	E1-7	
E1-8	Internal carbon pricing		Not relevant, no internal carbon pricing
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Phase-in / application of the option for gradual introduction according to ESRS 1 Annex C

Disclosure requirements ESRS E2 - Pollution		Chapter	Omission, explanation
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities related to pollution	ESRS 2 IRO-1	
E2-1	Policies related to pollution	E2-1	
E2-2	Actions and resources related to pollution	E2-2	
E2-3	Targets related to pollution	E2-3	
E2-4	Air, water, and soil pollution	E2-4	
E2-5	Substances of concern and substances of very high concern	E1-3	Not material
E2-6	Anticipated financial effects from pollution-related, risks and opportunities	E1-4	Phase-in / application of the option for gradual introduction according to ESRS 1 Annex C

Disclosure requirements ESRS E3 - Water and marine resources		Chapter	Omission, explanation
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities related to water and marine resources	ESRS 2 IRO-1	

Disclosure requirements ESRS E4 - Biodiversity and ecosystems		Chapter	Omission, explanation
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities related to biodiversity and ecosystems	ESRS 2 IRO-1	

Disclosure requirements ESRS E5 – Resource use and circular economy		Chapter	Omission, explanation
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities related to resource use and circular economy	ESRS 2 IRO-1	
E5-1	Policies related to resource use and circular economy	E5-1	
E5-2	Actions and resources related to resource use and circular economy	E5-2	
E5-3	Targets related to resource use and circular economy	E5-3	
E5-4	Resource inflows	E5-4	
E5-5	Resource outflows	E5-5	
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities		Phase-in / application of the option for gradual introduction according to ESRS 1 Annex C

Disclosure requirements ESRS S1 – Own workforce		Chapter	Omission, explanation
ESRS 2 SBM-2	Interests and views of stakeholders	ESRS 2 SBM-3;	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	S1 ESRS 2 SBM-3	
S1-1	Policies related to own workforce	S1-1	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	S1-2	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	S1-3	
S1-4	Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches	S1-4	
S1-5	Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities	S1-5	
S1-6	Characteristics of the undertaking's employees	S1-6	
S1-7	Collective bargaining coverage and social dialogue		Phase in / application of the option for gradual introduction according to ESRS 1 Annex C
S1-8	Tarifvertragliche Abdeckung und sozialer Dialog	S1-2	
S1-9	Diversity metrics	S1-9	
S1-10	Adequate wages		not material
S1-11	Social protection		not material
S1-12	Persons with disabilities		not material
S1-13	Training and skills development metrics	S1-13	
S1-14	Health and safety metrics	S1-14	
S1-15	Work-life balance metrics	S1-15	
S1-16	Compensation metrics (pay gap and total compensation)	S1-16	
S1-17	Incidents, complaints and severe human rights impacts	S1-17	

Disclosure requirements ESRS S2 – Workers in the value chain		Chapter	Omission, explanation
ESRS 2 SBM-2	Interests and views of stakeholders	ESRS 2 SBM-2	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2 SBM-3;	
S2-1	Policies related to value chain workers	S2 ESRS 2 SBM-3	
S2-2	Processes for engaging with value chain workers about impacts	S2-2	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	S2-3	
S2-4	approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	S2-4	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2-5	

Disclosure requirements ESRS G1 Business conduct		Chapter	Omission, explanation
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	ESRS 2 GOV-1	
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities	ESRS 2 IRO-1	
G1-1	Business conduct policies and corporate culture	G1-1	
G1-2	Management of relationships with suppliers	G1-2	
G1-3	Prevention and detection of corruption and bribery	G1-3	
G1-4	Confirmed incidents of corruption or bribery	G1-4	
G1-5	Political influence and lobbying activities		not material
G1-6	Payment practices	G1-6	not material



LIST OF DATA POINTS IN GENERAL AND TOPIC STANDARDS ARISING FROM OTHER EU LEGISLATION (ESRS 2 ANNEX B)

Disclosure requirement and associated data point	Material	SFDR-reference	Column 3 reference	Benchmark regulation reference	EU-Climate Law	Chapter / page
ESRS 2 GOV-1 Gender diversity in management and supervisory bodies, paragraph 21(d)	Yes	Indicator no 13 in annex 1, table 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		ESRS 2 GOV-1
ESRS 2 GOV-1 Percentage of management body members who are independent, paragraph 21(e)	Yes			Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 GOV-1
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Yes	Indicator no 10 in annex 1, table 3				ESRS 2 GOV-4
ESRS 2 SBM-1 Participation in activities related to fossil fuels, paragraph 40(d)(i)	Yes	Indicator no 4 in annex 1, table 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative information on environmental risks, and Table 2: Qualitative information on social risks	Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 SBM-1
ESRS 2 SBM-1 Participation in activities related to fossil fuels, paragraph 40(d)(ii)	Yes	Indicator no 9 in annex 1, table 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 SBM-1
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d)(iii)	Yes	Indicator no 14 in annex 1, table 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 SBM-1
ESRS 2 SBM-1 Participation in activities related to the cultivation and production of tobacco, paragraph 40(d)(iv)	Yes			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 SBM-1
ESRS E1-1 Transition plan to achieve climate neutrality by 2050, paragraph 14	Yes				Regulation (EU) 2021/1119, Article 2, paragraph 1	ESRS E1-1
ESRS E1-1 Companies exempted from the Paris-aligned benchmarks, paragraph 16(g)	Yes		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Asset Book – Transition risk related to climate change: Credit quality of exposures by sector, issue, and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g) and Article 12(2)		ESRS E1-1
ESRS E1-4 GHG emissions reduction targets, paragraph 34	Yes	Indicator no 4 in annex 1, table 2	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Asset Book – Transition risk related to climate change: Adjustment ratios	Delegated Regulation (EU) 2020/1818, Article 6		ESRS E1-4

Disclosure requirement and associated data point	Material	SFDR-reference	Column 3 reference	Benchmark regulation reference	EU-Climate Law	Chapter / page
ESRS E1-5 Energy consumption from fossil fuels broken down by source (only climate intensive sectors), paragraph 38	Yes	Indicator no 5 in annex 1, table 1 and indicator no 5 in annex 1, table 2				ESRS E1-5
ESRS E1-5 Energy consumption and mix, paragraph 37	Yes	Indicator no 5 in annex 1, table 1				ESRS E1-5
ESRS E1-5 Energy intensity related to activities in climate intensive sectors, paragraphs 40 to 43	Yes	Indicator no 6 in annex 1, table 1				ESRS E1-5
ESRS E1-6 Gross Scopes 1, 2, 3 and total GHG emissions, paragraph 44	Yes	Indicator no 1 and 2 in annex 1, table 1	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Asset Book – Transition risk related to climate change: Credit quality of exposures by sector, issue, and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5 (1), Article 6 and Article 8 (1)		ESRS E1-6
ESRS E1-6 Intensity of GHG gross emissions, paragraphs 53 to 55	Yes	Indicator no 3, table 1 in annex 1	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Asset Book – Transition risk related to climate change: Adjustment ratios	Delegated Regulation (EU) 2020/1818, Article 8 (1)		ESRS E1-6
ESRS E1-7 GHG removals and GHG mitigation projects financed through carbon credits, paragraph 56	Yes				Regulation (EU) 2021/1119, Article 2 (1)	ESRS E1-7
ESRS E1-9 Risk position of reference portfolio versus climate related physical risks, paragraph 66	Yes / phase-in, application of the option for gradual introduction according to ESRS 1 Annex C			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		
ESRS E1-9 Breakdown of cash amounts according to acute and chronic physical risk, paragraph 66(a)	Yes / phase-in, application of the option for gradual introduction according to ESRS 1 Annex C		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Chapters 46 and 47; Template 5: Asset Book – Physical risk related to climate change: Risk positions with physical risk			
ESRS E1-9 Location where significant assets posing a substantial physical risk are located, paragraph 66(c)	Yes / phase in, application of the option for gradual introduction according to ESRS 1 Annex C		Article 449a of regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Chapter 34; Template 2: Asset Book - Transition risk related to climate change: Real estate-backed loans – Energy efficiency of the collateral			
ESRS E1-9 Degree of portfolio exposure to climate-related opportunities, paragraph 69	Yes / phase-in, application of the option for gradual introduction according to ESRS 1 Annex C			Delegated Regulation (EU) 2020/1818 of Commission, Annex II		

Disclosure requirement and associated data point	Material	SFDR-reference	Column 3 reference	Benchmark regulation reference	EU-Climate Law	Chapter / page
ESRS E2-4: The quantity of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted into the air, water, and soil (paragraph 28).	No	Indicator no 8 in annex 1 table 1 Indicator no 2 in annex 1 table 2 Indicator no 1 in annex 1 table 2 Indicator no 3 in annex 1 table 2				
ESRS E2-4 Quantity of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Distribution Register) emitted into air, water and soil, paragraph 28	No	Indicator no 8 in annex 1, table 1 Indicator no 2 in annex 1, table 2 Indicator no 1 in annex 1, table 2 Indicator no 3 in annex 1, table 2				
ESRS E3-1 Water and marine resources, paragraph 9	No	Indicator no 7 in annex 1, table 2				
ESRS E3-1 Specific concept, paragraph 13	No	Indicator no 8 in annex 1, table 2				
ESRS E3-1 Sustainable oceans and seas, paragraph 14	No	Indicator no 12 in annex 1, table 2				
ESRS E3-4 Total volume of water recovered and reused, paragraph 28 (c)	No	Indikator Nr. 6,2 in Anhang 1 Tabelle 2				
ESRS E3-4 Total water consumption in m3 per net revenue from own activities, paragraph 29	No	Indicator no 6.1 in annex 1, table 2				
ESRS 2 – SBM-3 – E4, paragraph 16 (a) (i)	No	Indicator no 7 in annex 1, table 1				
ESRS 2 – SBM-3 – E4, paragraph 16 (b)	No	Indicator no 10 in annex 1, table 2				
ESRS 2 – SBM-3 – E4, paragraph 16 (c)	No	Indicator no 14 in annex 1, table 2				
ESRS E4-2 Sustainable land use and agriculture practices or policies, paragraph 24 (b)	No	Indicator no 11 in annex 1, table 2				
ESRS E4-2 Sustainable oceans / seas practices or policies, paragraph 24 (c)	No	Indicator no 12 in annex 1, table 2				
ESRS E4-2 Policies to combat deforestation, paragraph 24 (d)	No	Indicator no 15 in annex 1, table 2				
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Yes	Indicator no 13 in annex 1, table 2				ESRS E5-5
ESRS E5-5 Hazardous and radioactive waste, paragraph 39	Yes	Indicator no 9 in annex 1, table 1				ESRS E5-5
ESRS 2 SBM3 – S1 Risk of forced labor, paragraph 14 (f)	Yes	Indicator no 13 in annex I, table 3				ESRS 2 SBM3
ESRS 2 SBM3 – S1 Risk of child labor, paragraph 14 (g)	Yes	Indicator no 12 in annex I, table 3				ESRS 2 SBM3
ESRS S1-1 Human rights policy commitments, paragraph 20	Yes	Indicator no 9 in annex I, table 3 Indicator no 11 in annex I, table 1				ESRS S1-1
ESRS S1-1 Due diligence provisions with respect to issues addressed in fundamental Conventions 1 to 8 of the International Labor Organization, paragraph 21	Yes			Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1-1
ESRS S1-1 Procedures and measures to combat human trafficking, paragraph 22	Yes	Indicator no 11 in annex I, table 3				ESRS S1-1
ESRS S1-1 Occupational accident prevention policy or management system, paragraph 23	Yes	Indicator no 1 in annex I, table 3				ESRS S1-1
ESRS S1-3 Complaints handling, paragraph 32 (c)	Yes	Indicator no 5 in annex I, table 3				ESRS S1-3
ESRS S1-14 Number of fatalities and number and rate of occupational accidents, paragraph 88 (b) and (c)	Yes	Indicator no 2 in annex I, table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1-14
ESRS S1-14 Number of days lost due to injury, accidents, death, or illness, paragraph 88 (e)	Yes	Indicator no 3 in annex I, table 3				ESRS S1-14
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	Yes	Indicator no 12 in annex I, table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1-16
ESRS S1-16 Excessive remuneration of members of management bodies, paragraph 97 (b)	Yes	Indicator no 8 in annex I, table 3				ESRS S1-16
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	Yes	Indicator no 7 in annex I, table 3				ESRS S1-17

Disclosure requirement and associated data point	Material	SFDR-reference	Column 3 reference	Benchmark regulation reference	EU-Climate Law	Chapter / page
ESRS S1-17 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 104 (a)	Yes	Indicator no 10 in annex I, table 1 Indicator no 14 in annex I, table 3		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		ESRS S1-17
ESRS 2 SBM3 – S2 Significant risk of child labor or forced labor in the value chain, paragraph 11 (b)	Yes	Indicators no 12 and 13 in annex I, table 3				ESRS 2 SBM3 – S2
ESRS S2-1 Human rights policy commitments, paragraph 17	Yes	Indicator no 9 in annex 1, table 3 Indicator no 11 in annex 1, table 1				ESRS S2-1
ESRS S2-1 Policies related to value chain workers, paragraph 18	Yes	Indicators no 11 and 4 in annex 1, table 3				ESRS S2-1
ESRS S2-1 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Yes	Indicator no 10 in annex 1, table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		ESRS S2-1
ESRS S2-1 Due diligence provisions with respect to issues addressed in fundamental Conventions 1 to 8 of the International Labor Organization, paragraph 19	Yes			Delegated Regulation (EU) 2020/1816, Annex II		ESRS S2-1
ESRS S2-4 Problems and incidents related to human rights within the upstream and downstream value chain, paragraph 3	Yes	Indicator no 14 in annex 1, table 3				ESRS S2-4
ESRS S3-1 Obligations related to human rights, paragraph 16	No	Indicator no 9 in annex 1, table 3 Indicator no 11 in annex 1, table 1				
ESRS S3-1 Non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Principles, or the OECD Guidelines, paragraph 17	No	Indicator no 10 in annex 1, table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		
ESRS S3-4 Problems and incidents related to human rights, paragraph 36	No	Indicator no 14 in annex 1, table 3				
ESRS S4-1 Concepts related to consumers and end-users, paragraph 16	No	Indicator no 9 in annex 1, table 3 Indicator no 11 in annex 1, table 1				
ESRS S4-1 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17	No	Indicator no 10 in annex 1, table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		
ESRS S4-4 Problems and incidents related to human rights, paragraph 35	No	Indicator no 14 in annex 1, table 3				
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Yes	Indicator no 15 in annex 1, table 3				ESRS G1-1
ESRS G1-1 Whistleblower protection, paragraph 10 (d)	Yes	Indicator no 6 in annex 1, table 3				ESRS G1-1
ESRS G1-4 Fines for breaches of corruption and bribery regulations, paragraph 24(a)	Yes	Indicator no 17 in annex 1, table 3		Delegated Regulation (EU) 2020/1816, Annex II		ESRS G1-4
ESRS G1-4 Standards for combating corruption and bribery, paragraph 24(b)	Yes	Indicator no 16 in annex 1, table 3				ESRS G1-4

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CODE OF CONDUCT OF PANKL RACING SYSTEMS AG FOR BUSINESS PARTNERS

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GUIDELINES / POLICIES / STATEMENT OF PRINCIPLES OF PANKL RACING SYSTEMS AG

<https://pankl.com/en/downloads/sustainability/>

DATA PROTECTION DECLARATION OF PANKL RACING SYSTEMS AG

<https://pankl.com/en/legal/privacy-statement/>

WHISTLEBLOWING PLATFORM

<https://pankl.integrityline.com/frontpage>

CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSR)

https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L_202302772&qid=1780909572017

OMNIBUS EU-GUIDELINE

https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L_202600470

CONVENTION OF THE INTERNATIONAL LABOR ORGANISATION C138

https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138

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