Letter to Shareholders

Dear Shareholders,
Ladies and Gentlemen,

The 2024 financial year was marked by geopolitical uncertainty and sluggish economic conditions in Europe, particularly in Germany. Against the backdrop of persistent hostilities in Ukraine and the Middle East, tensions within the world as a whole are becoming more pronounced. This is compounded by obstacles relating to trade policy, the repercussions of which are particularly severe in the case of globalized sectors such as the automotive industry. In fact, growth within our industry is being stymied before it even has a chance to flourish. This is reflected in automobile production, which fell by 1.1% worldwide in 2024. The respective regions developed along different lines: while China grew, North America and, in particular, Europe declined.

Operating within this environment, we were able to conclude the 2024 financial year on a successful note: organic revenue growth was roughly on a par with market performance. Recording an adjusted EBIT margin of 4.9%, we met our earnings target in full. Thanks largely to strong operating free cash flow of EUR 58 million, we managed to scale back our net financial liabilities to their lowest level in thirteen years. This provides a solid foundation for the continued transformation of the Group.

The transition within our industry is challenging and calls for decisive steps to ensure that we can respond to market requirements at all times – well into the future. Focusing on this goal, we initiated a strategic package of measures in the financial year just ended, the aim being to hone the Group's profile to the greatest extent possible. The emphasis is on profitable, forward-looking product groups and business units. We are withdrawing from loss-making activities.

As part of this action plan, we resolved to discontinue our systems business for electric drive units. The decision to sell the two plants in Sevelen, Switzerland, and Buford, GA, USA, is another example of our transformation efforts. The discontinuation of operations at our sites in Fremont, California, and Thale in Saxony-Anhalt, Germany, also falls into this category.

Overall, the aforementioned package of measures resulted in non-recurring exceptional items amounting to EUR 238 million. While these measures had a significant impact on the Group's earnings performance in 2024, they form the basis for achieving our goal of significantly improving the Group's profitability and cash flow.

This ambition has been set out in our SHAPE30 transformation strategy, which charts the route forward for our Group. Embracing five success factors, we endeavor to shape ElringKlinger's transformation. #1 Product Transformation involves conducting an in-depth analysis of the market and its trends, reviewing the future viability of our product groups, and drawing conclusions in relation to our portfolio and our sites. The strategic package of measures implemented in the financial year just ended should be seen in this context. We will also resolutely pursue this path of transformation in 2025.

At the same time, we accelerated growth in the area of E-Mobility over the course of 2024. In doing so, we more than doubled revenue in the E-Mobility business unit to EUR 103 million. Production relating to a large-scale order for cell contacting systems is already ramping up at our battery center of excellence in Neuffen, and we are currently gearing up for the start of another high-volume order. In Easley, SC, we are in the process of establishing a Battery Hub for the American market. Production for the first orders are scheduled to commence at this site in the near future. As you can see, ElringKlinger's future path of transformation has already been sketched out very clearly. In this context, it should be noted that our strong market position in the area of conventional drive technologies forms the backbone of this transformation.

The second success factor is centered on #2 Sustainability. Our products contribute to a sustainable future. Having said that, our aim is not only to make our products as sustainable as possible but also our manufacturing processes and our value chain. After all, it is essential that we take a present-day view of tomorrow's world. This also includes our objective of becoming carbon-neutral worldwide from 2030 and at the same time decarbonizing emissions across the value chain in the long term. Our commitment to the Baden-Württemberg Climate Protection Agreement is a case in point.

However, far from just being an environmental issue, sustainability also relates to social commitment. This forms an integral part of ElringKlinger's DNA, not least due to the considerable efforts of our company founder Paul Lechler.

Success factors #3 Performance & Process Excellence and #4 Digital Transformation focus primarily on the Group's positioning, processes, and management. We are committed to expanding our process management and further digitalizing ElringKlinger in order to meet customer requirements on the one hand and to create additional scope for other core tasks on the other.

Last but not least, we want to continue to be an attractive employer with a progressive #5 Corporate Culture – where people enjoy coming together and are given the opportunity to perform at their best. Here, too, we will pursue our chosen path in 2025. After all, our employees are at the heart of ElringKlinger's success. Also on behalf of my two colleagues on the Management Board, Reiner Drews and Dirk Willers, I would like to sincerely thank all employees for the tremendous effort they put in on a daily basis. Your contribution is truly outstanding.

We made significant progress with SHAPE30 in 2024. The strategic package of measures is extensive and its impact is profound. This action plan has also had a pronounced effect on earnings. At EUR -2.18, reported earnings per share are in negative territory due to the impairment losses associated with the package of measures outlined above. However, excluding these exceptional factors, adjusted earnings per share amounted to EUR 0.70. This illustrates that the Group is well positioned from an operational perspective and, essentially, remains successful. In the interests of dividend continuity, we, the Management Board, in consultation with the Supervisory Board, will propose to the Annual General Meeting that a dividend of EUR 0.15 per share, unchanged year on year, be paid out to you as our valued shareholders.

These results show that we are on the right track in pursuing our SHAPE30 strategy. ElringKlinger is on target; the Group is well positioned both financially and strategically. This is necessary not least when one considers that 2025 is set to be another challenging year and that the road ahead of us will be a demanding one. We remain committed to our strategy, the aim being to help shape the next generation of mobility.

Valued shareholders, we would be delighted if you continued to accompany us on this journey. Please feel free to explore what the future holds, as presented on the following pages and in our pulse magazine.

Dettingen/Erms, March 2025

Yours sincerely, Thomas Jessulat

Thomas Jessulat
Chairman of the Management Board

Report by the Supervisory Board 2024

Helmut P. Merch
CHAIRMAN OF THE SUPERVISORY BOARD

Dear Shareholders,

Despite the challenging economic and geopolitical backdrop, the ElringKlinger Group man-aged to post a solid operating result in 2024 on the back of a slight year-on-year dip in revenue. The process of transformation was again driven forward over the course of the financial year just ended, while the company's profile was sharpened in an effort to ensure the steady enhancement of profitability. Accordingly, the strategic orientation of the Elring-Klinger Group and its focus on areas of business considered promising for the future were key topics discussed by the Supervisory Board.

In the financial year just ended, the Supervisory Board of ElringKlinger AG again discharged in full the duties incumbent on it according to the law, the Articles of Association, the rules of procedure, and the German Corporate Governance Code. It supervised the Management Board and acted in an advisory capacity with regard to issues of material importance. The Supervisory Board received appropriate monthly reports from the Management Board on key figures, matters of business, and events. In addition, the Chairman of the Supervisory Board and the Chairman of the Management Board (CEO) were in regular and ongoing contact and exchanged information in particular on the economic situation, important business developments, and other significant events. The Chairman of the Supervisory Board informed the other members of the Supervisory Board about significant occurrences. The Chairman of the Supervisory Board and the entire Supervisory Board were therefore able to form a sufficient picture of the business policies, corporate planning, profitability, and situation relating to the company and the Group. In line with statutory requirements, the Supervisory Board was involved in all decision-making processes of material importance. In particular, strategically important decisions were discussed in detail with the Management Board and debated at Supervisory Board meetings.

Topics discussed by the full Supervisory Board

The Supervisory Board convened for four scheduled meetings and one extraordinary meeting in the year under review, all of which were held as in-person meetings and, in the case of the extraordinary meeting, in a hybrid form in which individual members of the Supervisory Board participated on a virtual basis. At the scheduled meetings, the Management Board regularly provided a detailed overview of business developments, particularly as regards the direction taken by revenue and earnings as well as the cash flows and financial performance of the Group, ElringKlinger AG, and its subsidiaries. The Management Board presented its latest projections together with its evaluation of the economic, market, and competitive situation. In addition, the Management Board supplied regular information on the current risk situation at ElringKlinger and relevant compliance-related issues, significant legal disputes, and other matters of fundamental importance. The meetings also focused on the Group's strategic direction in light of the ongoing transformation of the vehicle industry. Among the key topics were the technological transformation of the product portfolio and the issue of global positioning with a view to the further advancement of the Group in a sustainable and profitable manner. Where necessary, the Supervisory Board sought reports on individual issues from the Group's business unit or departmental managers and from external experts. Finally, another regular item on the agenda was the Audit Committee report furnished by the Chairman of that body.

In addition to the agenda items already outlined above, the Supervisory Board dealt with the following topics, in particular, at its meetings over the course of the year under review:

At its scheduled meeting on **March 26, 2024**, the Supervisory Board focused on the annual financial statements and the combined management report of ElringKlinger AG and the Group as of December 31, 2023, the 2023 annual report, including the Supervisory Board re-port, the corporate governance report, the compensation report, the combined non-financial report, and the auditor's report compiled by Deloitte GmbH Wirtschaftsprüfungsgesellschaft. The Supervisory Board adopted the annual financial statements of ElringKlinger AG, endorsed the consolidated financial statements together with the combined management report, and approved the non-financial report. The results of the efficiency review conducted in respect of the duties discharged by the Supervisory Board were presented and discussed by the board members. The Supervisory Board also approved the agenda for the Annual General Meeting on May 16, 2024. As regards the existing compensation system relating to the Management Board, the so-called modifiers were determined in respect of the 2024 financial year. Additionally, the Supervisory Board re-solved on an adjustment to the compensation system.

Upon conclusion of the Annual General Meeting on **May 16, 2024**, the Supervisory Board convened for an extraordinary meeting. The principal items on the agenda were the election of the Chairman of the Supervisory Board, the election of a new member, and the appointment of the Chairman of the Audit Committee as well as other committee appointments.

At the scheduled Supervisory Board meeting held on **July 25, 2024**, no other significant agenda items were discussed beyond the usual agenda items already described.

At its scheduled meeting on **September 26, 2024**, the Supervisory Board was informed about the status of business planning for 2025 and medium-term planning.

The agenda of the ordinary meeting held on **December 5, 2024**, included the 2025 budget and medium-term business planning as scheduled. In this context, the Supervisory Board dealt in detail with the further development and future strategic direction of the Group. Furthermore, the Supervisory Board discussed the audit and compliance report as well as the status of the internal control system. In this context, those attending the plenary meeting of the Supervisory Board were also furnished with information by the Chairman of the Audit Committee. At the proposal of the Personnel Committee, the Supervisory Board resolved to propose to the upcoming Annual General Meeting that the compensation system for the Supervisory Board be confirmed in its current form. The Supervisory Board also resolved to seek the assistance of Deloitte GmbH Wirtschaftsprüfungsgesellschaft for its audit of the non-financial report. After discussing the respective points of argument, the Management Board and Supervisory Board decided to hold the upcoming Annual General Meeting as a virtual event and to avail themselves of the authorization granted in the company's Articles of Association. Finally, the Supervisory Board approved the declaration of conformity with the German Corporate Governance Code for 2024 without any changes compared to the previous year.

Committee work

The **Audit Committee** convened on four occasions during the financial year under review. The meeting in March 2024 was centered around the review of the 2023 annual financial statements together with the associated auditor's report. Furthermore, the Audit Commit-tee dealt with the status of the internal control and risk management system, the compliance system, and the organization of data protection and IT security on an ongoing basis at its meetings held in July, September, and December 2024. Other recurring items on the agenda included the issue of future requirements in respect of sustainability reporting. The Audit Committee agenda in December 2024 included the process of determining the focal points of the audit, the procedures with regard to the audit of the financial statements, and the report on the internal audit, compliance, and currency risk management. Discussions within the Audit Committee were centered in particular on the issue of planning for the coming years and the associated strategic positioning of the Group. Finally, the Management Board also reported on significant customer projects at the meetings. The auditors from Deloitte GmbH Wirtschaftsprüfungsgesellschaft, who were responsible for the audit, regularly attended the meetings for a designated period of time. In particular, the Audit Committee also monitored the independence and efficiency of the auditor.

In the 2024 financial year, the **Personnel Committee** met in March and November for the purpose of preparing the resolutions to be passed by the Supervisory Board on personnel matters and, in particular, remuneration issues.

No meetings were held by the **Nomination Committee**. The **Mediation Committee** did not have to be convened during the financial year just ended.

Disclosure of attendance at meetings

All members of the Supervisory Board attended the meetings in 2024 with the exception of Ms. Resch, who was unable to attend the scheduled meetings in September and December and the extraordinary meeting in May. All members attended the meetings of the Audit and Personnel Committee.

No conflicts of interest, self-assessment of the Supervisory Board's work, and continuing professional development

There were no conflicts of interest during the 2024 financial year between Supervisory Board members and the company.

In accordance with the German Corporate Governance Code, the Supervisory Board, as in previous years, conducted an efficiency review in respect of its board and committee activities for the 2024 reporting year, using a questionnaire to be answered by all members. Suggestions were taken on board and are being incorporated into the work of the Supervisory Board.

In accordance with the requirements of the German Corporate Governance Code, the company supports the members of the Supervisory Board with regard to professional training measures. Fundamentally, it is at the discretion of the respective Supervisory Board member which measures he or she considers suitable and appropriate. In the year under review, no member of the Supervisory Board participated in professional training events for which the company bore the costs.

Audit of the financial statements for the 2024 financial year

The annual financial statements of ElringKlinger AG and the corresponding consolidated financial statements with the combined management report for the 2024 financial year, as presented by the Management Board, were audited by the auditors Deloitte Wirtschaftsprüfungsgesellschaft GmbH in February 2025. The audit mandate had been is-sued by the Supervisory Board following the appointment of the auditor by the Annual General Meeting on May 16, 2024. In accordance with Section 315e of the German Commercial Code (HGB), the consolidated financial statements of ElringKlinger AG were prepared on the basis of International Financial Reporting Standards (IFRS). The auditing firm issued unqualified audit opinions for the annual financial statements of ElringKlinger AG as well as for the consolidated financial statements, including the combined management report, for the financial year 2024. The Supervisory Board was in possession of the documents relating to the financial and consolidated financial statements as well as the two audit reports compiled by the auditor. The aforementioned documents were studied in depth by the Audit Committee and the Supervisory Board as a whole before being discussed at length and examined in the presence of and in consultation with the competent auditors. The Supervisory Board concurred with the outcome of the audit. No objections were raised. At its meeting on March 25, 2025, the Supervisory Board adopted the annual financial statements of ElringKlinger AG and endorsed the consolidated financial statements together with the combined management report. Additionally, the Supervisory Board approved the non-financial report.

Changes to the Supervisory Board

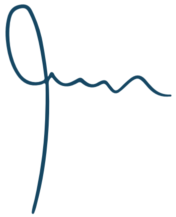
Effective upon conclusion of the Annual General Meeting on May 16, 2024, Mr. Eberhardt resigned as a member of the Supervisory Board and as its Chairman. Mr. Eberhardt had been a member of the Supervisory Board since 2013 and had been its Chairman since May 16, 2017. Taking a highly circumspect approach and displaying entrepreneurial foresight, he played a key role in the governance of ElringKlinger. We are greatly indebted to him. The signee of this report was elected as the new Chairman of the Supervisory Board and as a member and Chairman of the Nomination Committee. Membership and chairmanship of the Personnel Committee and Mediation Committee are associated with the role of Chairman of the Supervisory Board. Having previously been elected as a new member of the Supervisory Board by the Annual General Meeting, Mr. Heuberg was elected to the Audit Committee by the Supervisory Board and also appointed as its Chairman.

At the end of the financial year under review, Ms. Resch and Mr. Müller stepped down from the Supervisory Board in their capacity as union representatives of the workforce. We would also like to thank them for their contribution on a basis of trust and constructive cooperation. In February of this year, Ms. Genthner and Mr. Lamparter of the IG Metall trade union were appointed as members of the Supervisory Board by way of a court order governing the appointment of replacement representatives. There were no changes to the Management Board.

The Supervisory Board would like to thank the Management Board and all members of staff at ElringKlinger AG and its subsidiaries in Germany and abroad for their dedicated efforts over the course of another challenging year.

Dettingen/Erms, March 25, 2025

On behalf of the Supervisory Board



Helmut P. Merch
Chairman of the Supervisory Board

ElringKlinger and the Capital Markets

The dynamic events driving global financial markets during 2024 were fueled by a multitude of factors. Among the most significant were the slight dip in inflation, less pronounced inflationary risks, and the attendant interest rate cuts by the world's major central banks, the US Federal Reserve and the European Central Bank. Against this backdrop of change, financial markets put in a strong performance in many regions of the world, as evidenced by rallying stock indices. Other significant influencing factors included the notable advances made in the AI industry, the election of Donald Trump as US president, China's fiscal policy measures, the government crises in France and Germany, the protracted war in Ukraine, and the escalation of conflicts in the Middle East. Amid these market challenges, the price of ElringKlinger shares fell by 24% in the course of the year. In the 2024 financial year, the Group furnished comprehensive and transparent information on its business performance and strategic orientation. At the same time, ElringKlinger maintained a close dialogue with the capital markets.

Modest inflation and interest rate cuts as key drivers in 2024

With energy prices retreating slightly and global economic momentum waning over the course of 2024, the rate of inflation in both the eurozone and the United States trended marginally lower in the period under review. Inflation fell from 2.80% to 2.40% in the eurozone and from 3.10% to 2.90% in the United States. The slowdown in growth coupled with lower inflation prompted a global move away from restrictive monetary policy. In choosing this path, the world's major central banks initiated a global cycle of interest rate cuts. The US Federal Reserve lowered its target federal funds rate from a range of 5.25–5.50% to 4.25–4.50% over the course of the year, while the European Central Bank (ECB) reduced its main refinancing operations interest rate from 4.50% to 3.15%. Due to the contrasting economic positions and the interest rate differences between the US and eurozone currency areas priced in by the markets, the euro depreciated against the US dollar, reaching an exchange rate of USD/EUR 1.04 at the end of the year.

On the bond markets, meanwhile, the yield curves for US and German government bonds remained inverted. In anticipation of interest rate cuts and against the backdrop of long-term expectations surrounding inflation, lower long-term interest rates had been priced in by market participants. As the year progressed, the onset of the interest rate reduction cycle coupled with the impact of global crises caused considerable volatility in yields on 10-year US government bonds and German government bonds, which stood at 4.57% and 2.36% respectively as of December 31, 2024.

Germany's stock market indices developed along very different lines in 2024. While the German blue-chip index, the DAX, reached a new all-time high of 20,522 points on December 13, 2024, the small and mid-cap indices, the SDAX and MDAX, closed the year in negative territory. Compared to German large caps, many second-line stocks tend to be focused to a larger extent on the domestic market. As such, they are more exposed to economic developments in Germany. Amid bleak economic forecasts and a heightened preference for other asset classes and regions, small and mid-cap funds saw net outflows in the year under review. This placed a further strain on the liquidity of these shares, which was already at a low level, and led to substantial valuation discounts.

Global markets on the rise: USA and China lead the way

With the United States and China, in particular, taking the lead, global market performance as a whole was very solid in the year under review. This was in strong contrast to the European markets, which lagged significantly behind in terms of forward momentum. As in the previous year, large caps were the main beneficiaries of the positive upturn in the respective regions. In the United States, market growth was largely driven by the sustained trend seen in the field of artificial intelligence (AI) and the strong performance of major tech companies.

In parallel, the Chinese market benefited from extensive fiscal policy measures aimed at bolstering and stabilizing growth. The Hang Seng rose by 22.79% and the Shanghai Stock Exchange by 18.10%. US market performance was driven largely by the continuing interest surrounding AI and the increase in the value of major US tech companies, while the upturn recorded in China was underpinned by fiscal policy measures that helped to fuel stock market growth. These measures included investments in infrastructure projects and tax incentives, which boosted investor confidence and strengthened market liquidity.

In contrast, the European markets were unable to keep pace with the dynamic momentum of their American and Chinese counterparts. Although the DAX rose by 18.85%, it lagged behind the benchmark US and Chinese indices, the S&P 500 and Hang Seng, which were up by 25.52% and 22.79% respectively. This was attributable to the climate of economic uncertainty in conjunction with a lack of comparable impetus for growth.

ElringKlinger stock down slightly over the course of the year

At the beginning of the year, demand for automotive stocks was rather lackluster initially, as a result of which ElringKlinger shares also trended lower in the first month of the year. Having reached a quarterly low of EUR 4.75, ElringKlinger stock was in demand until mid-February, with the share price rising by over 20% to EUR 5.72 on the back of significant volumes. This was followed by a period of profit-taking before the company's share price trended sideways. ElringKlinger's preliminary results for the 2023 financial year, published on March 13, were received favorably by the capital markets, prompting the share price to rise by 2.6% on that day.

On the back of this, the second quarter saw ElringKlinger shares trend further upwards. After a positive market reaction to the publication of the 2023 annual report on March 27, 2024, ElringKlinger's share price continued to rise, reaching its high for the year to date of EUR 7.20 on April 9. However, similar to the direction taken by the market as a whole and other automotive stocks, the company's share price subsequently trended lower.

Influence of trade barriers on sector indices

Alongside short-term profit-taking, the looming threat of trade barriers also weighed heavily on key sector indices in the second quarter of 2024. Specifically, the EU Commission announced tariffs on electric cars imported from China in the second quarter of 2024. In general, automotive stocks underperformed the market as a whole in the first half of 2024.

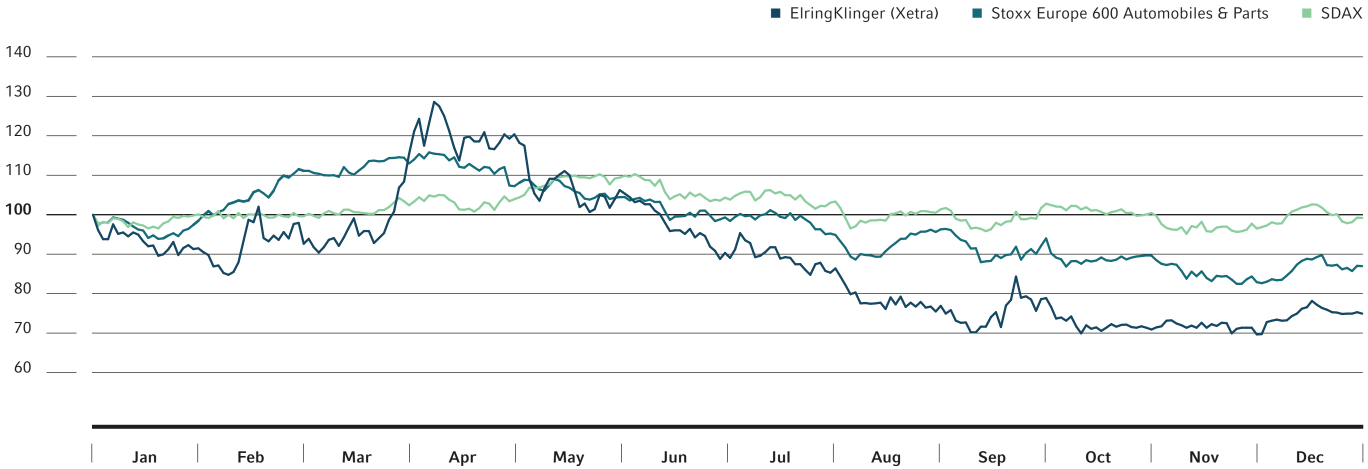
ElringKlinger's share price trended lower in the third quarter of 2024. Having reached a quarterly high of EUR 5.34 on July 4, the stock recorded losses and fell to a current annual low of EUR 3.94 on September 6. The decline in ElringKlinger's share price was in line with the general trend witnessed throughout the automotive industry. In addition, the sense of uncertainty associated with the EU's punitive tariffs on electric cars imported from China announced in the second quarter of 2024 had a detrimental effect on the industry as a whole and on stock performance. From November onwards, ElringKlinger's share price took a downside turn in line with the market, with volumes remaining comparatively modest, before reaching its low for the year of EUR 3.91 on November 26. ElringKlinger's share price stabilized again towards the end of the year, closing the year at EUR 4.20.

Trading volume down slightly on previous year

The trading volumes of ElringKlinger shares during the 2024 financial year were down on the prior-year level. On average, 61,348 shares (2023: 62,609 shares) were traded on stock exchange days. At EUR 304 thousand (2023: EUR 476 thousand), the daily value of ElringKlinger's stock traded on average on German stock exchanges was down on the figure for 2023.

Despite a positive performance of share prices in some cases, many German equities, particularly small and mid-caps, saw an outflow of liquidity compared to previous years, as many investors

ElringKlinger's share price performance from January 1 to December 31, 2024 (indexed)
in %

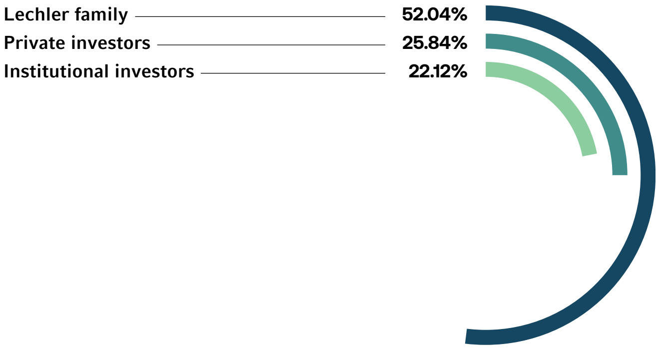


Key indicators for ElringKlinger's stock

	2024	2023
Earnings per share IFRS (after non-controlling interests, in EUR)	-2.18	0.62
Shareholder's equity per share as of Dec. 31 (in EUR)	10.82	14.37
High (in EUR)[1]	7.20	10.64
Low (in EUR)[1]	3.91	4.98
Closing price as of Dec. 31 (in EUR)[1]	4.20	5.52
Dividend per share (in EUR)	0.15[2]	0.15
Average daily trading volume (German stock exchanges; volume of shares traded)	61,348	62,609
Average daily trading value (German stock exchanges; in EUR)	304,135	475,910
Market capitalization as of Dec. 31 (EUR millions)[1]	266.1	349.7

[1] Xetra trading
[2] Proposal to the 2025 Annual General Meeting

Shareholder structure as of December 31, 2024



Key indicators for ElringKlinger's stock

International Securities Identification Number (ISIN)	DE0007856023
German Securities Identification Code (WKN)	785602
Exchange symbol	ZIL2
Ticker symbol Bloomberg	ZIL2 GY
Ticker symbol Reuters	ZILGn.DE
Share capital	EUR 63,359,990
Number of shares issued	63,359,990 shares
Stock exchanges	Xetra and all German exchanges
Market segment	Regulated Market
Transparency level	Prime Standard

increasingly re-allocated their funds to fixed-interest investments in the wake of rising interest rates. The decline in liquidity relating to ElringKlinger shares mirrored that of the market as a whole as well as that of numerous peers, i.e., similar stocks within the automotive sector. Despite this downturn, a sufficiently high level of liquidity was available in the stock market at all times over the course of the 2024 financial year to also conduct larger share transactions.

Virtual Annual General Meeting well attended

As in the four preceding years, the Annual General Meeting (AGM) of ElringKlinger AG, which took place on May 16, 2024, was held in a virtual format. In total, 72.0% of the voting share capital was represented at the Annual General Meeting.

As part of his review, CEO Thomas Jessulat emphasized that the Group had succeeded in achieving an encouraging result overall against the backdrop of a challenging market environment. At the same time, he presented the SHAPE30 Group strategy to shareholders taking part – a strategy that charts a clear route through the far-reaching transformation of the automotive industry.

Annual General Meeting approves dividend of EUR 0.15 per share and elects new Chairman of the Supervisory Board

The Annual General Meeting concurred with the joint proposal of the Management Board and Supervisory Board to once again pay a dividend in keeping with the company's balanced dividend policy. The proposed dividend of EUR 0.15 per share was approved by a large majority of 99.7%. After Chairman of the Supervisory Board Klaus Eberhardt had announced that he would be stepping down from his office and relinquishing his Supervisory Board mandate at ElringKlinger AG upon conclusion of the Annual General Meeting in March 2024, Ludger Heuberg was elected as a new member of the Supervisory Board as proposed by the Annual General Meeting. Helmut P. Merch, previously Chairman of the Audit Committee, is the successor to Klaus Eberhardt as Chairman of the Supervisory Board of ElringKlinger AG. All other proposed resolutions were also approved by a large majority in each case.

Shareholder structure remains well balanced and largely unchanged

Compared to the previous year, there was no change in the ratio of shares in free float to those in family ownership. The ownership interest held by the Lechler family at the end of 2024 totaled 52.04% of the 63,359,990 no-par-value shares issued. Within the free float (47.96%) the company saw just a slight shift in the overall structure toward private investors. As of December 31, 2024, institutional investors held 22.12% (2023: 23.12%) of the shares, while 25.84% of the shares were held by private investors (2023: 24.84%).

ElringKlinger in dialogue with the capital markets

Against the backdrop of the COVID pandemic, virtual channels of communication have become indispensable for financial market reporting in recent years. Virtual and hybrid formats have now firmly established themselves as an alternative to in-person events, even if face-to-face contact is still considered very important. As in the past, the Group reported continuously, promptly, comprehensively, and transparently on all current and future developments of relevance to the company and the industry as a whole. In this context, ElringKlinger used various communication channels for the purpose of interacting with capital markets.

ElringKlinger remained in continuous dialogue with the capital markets in 2024. The company took part in various capital market conferences and conducted numerous one-on-one meetings with investors and analysts.

Upon publication of its quarterly results, ElringKlinger organized conference calls for capital market players. The conferences were streamed live on the internet and subsequently published on the Group's website, including the associated presentation. In addition, the company held a virtual financial results press conference as well as an analysts' conference on site in Frankfurt upon publication of the annual report. In this context, the Management Board of ElringKlinger AG outlined the company's results of the financial year just ended and presented details of the Group's strategic orientation to the journalists and analysts in attendance.

Sustainability of growing capital market relevance

The issue of sustainability is becoming increasingly important within the capital markets. This applies not only to companies' sustainability strategies but also to the progress they have made in this area. ESG criteria, which include environmental, social, and governance aspects, are coming to the fore to an increasing extent, particularly with regard to equity. In fact, such ESG criteria are already taken into account by both private and institutional investors when making investment decisions. Sustainability criteria are also playing a more prominent role in the area of debt financing. Not only do they influence lending decisions, but they can also provide the basis for more favorable lending terms if a company can demonstrate a good sustainability track record.

In mid-2024, ElringKlinger published its 2023 Sustainability Report – the 13th of its kind –, outlining the Group's performance relating to the environmental, social, and economic dimensions of corporate sustainability. The report, published in German and English, can be accessed on ElringKlinger's website, under the Sustainability section.

Corporate governance

In accordance with Principle 23 of the German Corporate Governance Code (GCGC) in the version of April 28, 2022, the Management Board and the Supervisory Board report annually on corporate governance in the corporate governance statement, which also includes the declaration of conformity adopted on December 7, 2024. The statement can be accessed on the company's website at https://elringklinger.de/en/company/corporate-governance.

Sustainability Report 2024

ElringKlinger's annual Sustainability Report contains detailed information and key metrics relating to products and innovations, production and the environment, the supply chain, employees, social commitment, and corporate governance. The 2024 Sustainability Report is scheduled for publication on the ElringKlinger Group's website at https://elringklinger.de/en/sustainability/publications in mid-2025.

Compensation Report

The compensation report of ElringKlinger AG presents in a transparent and readily intelligible manner the compensation individually granted and owed to the members of the Management Board and the Supervisory Board for the 2024 financial year, in addition to providing detailed explanations. The report complies with the requirements of the German Stock Corporation Act (Aktiengesetz – AktG). The 2023 Compensation Report was approved by 96.75% of the votes at the Annual General Meeting on May 16, 2024. Given the significant percentage of approval, there were no grounds for reviewing the form of reporting or implementation.

The compensation system for Management Board members is aligned with the company's long-term corporate strategy as well as its objective of sustained success and sets corresponding incentives for the Management Board in line with the "pay for performance" concept. In this context, compensation takes into consideration the size, complexity, and financial situation of the company as well as its prospects for the future. The focus here is on the duties and performance of the entire Management Board. The compensation system is founded on parameters that are transparent and performance-based, in addition to embracing the aspect of sustainability. The existing compensation system was introduced in 2021. As from 2024, adjusted EBIT*, rather than EBIT, has been incorporated as a key indicator of operating performance alongside free cash flow*. Adjusted EBIT is a key indicator of the ElringKlinger Group's operating profitability and refers to earnings before interest and taxes adjusted for non-recurring items. On May 16, 2024, the Annual General Meeting approved the revised compensation system by a vote of 96.70%.

Overview of the compensation system of the Management Board

The table provides an overview of the components of the compensation system for Management Board members applicable to the 2024 financial year, the structuring of the individual compensation components, and the objectives on which they are based.

Compensation structure

The average compensation structure for the members of the Management Board is as follows: The share of the fixed annual salary in target total compensation payable to the Management Board members, i.e., total compensation in the case of 100% target achievement of the variable compensation components, is around 33%. The benefit allowance in respect of private pension provision accounts for roughly 17% of target total compensation. The Short-Term Incentive accounts for approximately 20% of target total compensation, while the Long-Term Incentive

Component	Objective	Structuring
Fixed compensation components		
Annual fixed salary	Securing a basic income	Cash compensation
	Alignment with the Board member's area of responsibility	Payment in twelve monthly installments
Fringe benefits		Company car
		Mobile and communication devices
		Expense allowances
		Insurance benefits
Benefit allowance	Securing adequate pension provision	Payment of an annual fixed amount
Variable compensation components		
Short-Term Incentive (STI)	Profitable growth of the company	Adjusted EBIT
		Operating free cash flow
		Modifier to consider the individual as well as collective performance of the Management Board and implementation of non-financial targets
		Payment in cash
Long-Term Incentive (LTI)	Sustainable corporate performance and incentivization toward growth in enterprise value through share subscription	Commitment at the beginning of a financial year linked to financial performance criteria and the criteria-based modifier of the previous year's STI
		Performance of ElringKlinger stock
		Free access to the shares held after the four-year retention period

Tables continued overleaf

* Cf. glossary

Component	Objective	Structuring
Benefits in the event of termination of employment		
Termination by mutual consent	Avoidance of excessive severance payments	Severance payment limited to remaining term of employment contract or maximum of two years' compensation
Other compensation arrangements		
Malus and clawback	Sustained corporate performance	Option for the Supervisory Board to withhold STI and LTI or to reclaim compensation already paid, e.g., in the event of compliance violations or erroneous consolidated financial statements
Maximum compensation	Restriction of disbursements to an appropriate level due to possible exceptional circumstances	Maximum compensation for the sum of annual fixed salary, fringe benefits, pension benefit allowance, STI and LTI: Chairman of the Management Board (CEO) EUR 3.5 million, ordinary member of the Management Board EUR 2.0 million
Share ownership guidelines	Sustained corporate performance	Shareholding obligation (share ownership guidelines) in the amount of twice the gross annual fixed salary for the Chairman of the Management Board and one times the gross annual fixed salary for the ordinary members of the Management Board
Deviations from the system of compensation	Safeguarding the sustained performance of the company	In exceptional circumstances the Supervisory Board has the authority to determine a different agreement

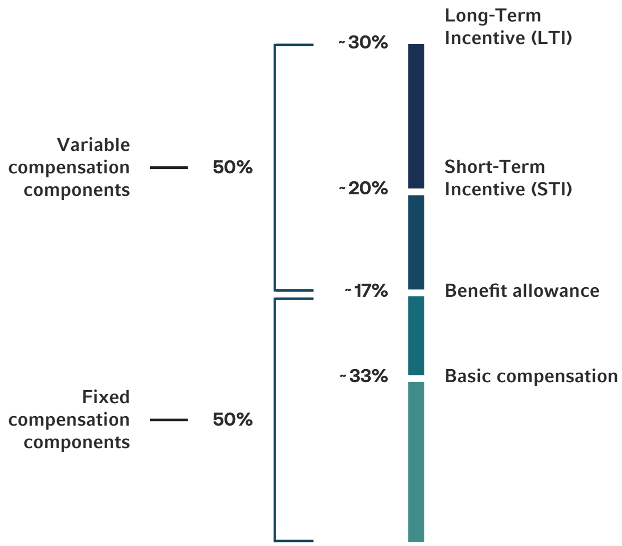
accounts for approximately 30% of target total compensation. Within the context of the compensation structure, the company thus ensures that variable compensation resulting from the attainment of long-term targets exceeds the percentage share associated with short-term targets. Thus, the focus is directed towards the long-term and sustainable development of ElringKlinger, as required by law, while at the same time an incentive has been established in respect of operational targets.

Maximum compensation

Maximum compensation for members of the Management Board constitutes a cap on the maximum possible payment of all compensation components for the respective financial year. According to the compensation system, it is defined as EUR 3.5 million for the Chairman of the Management Board and EUR 2.0 million for the ordinary members of the Management Board. Compensation granted and owed in 2024 is below these amounts, i. e., maximum compensation in accordance with Section 87a AktG for the 2024 financial year was complied with in the period under review. Individual maximum compensation for members of the Management Board is calculated by adding the fixed salary and pension allowance as well as twice the STI and twice the LTI.

Management Board member	Individual maximum compensation in EUR k
Thomas Jessulat	2,700
Reiner Drews	1,900
Dirk Willers	1,400

Overview of compensation structure relating to the compensation system



Annual fixed salary

The annual fixed salary is a cash payment in respect of the applicable financial year; it takes into account the area of responsibility of the individual Management Board member and is paid in 12 monthly installments.

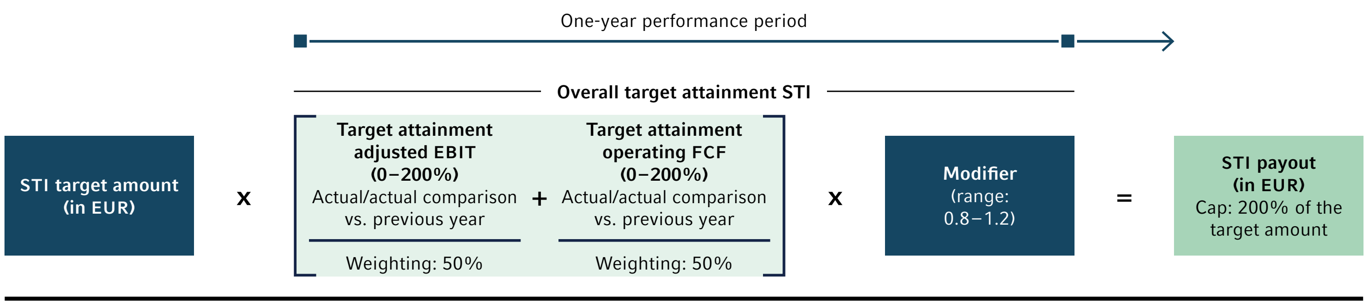
Fringe benefits

The members of the Management Board receive taxable benefits in kind (fringe benefits) that mainly consist of the provision of a company car, mobile and communication devices as well as insurance benefits.

Benefit allowance

The benefit allowance is a fixed amount that is paid out annually to the members of the Management Board. The members of the Management Board are entitled to use these for the purposes of their private pension provision. The company therefore bears no risks from pension commitments.

Principles of the Short-Term Incentive (STI)



Short-Term Incentive (STI)

The STI is structured as a target bonus system and is calculated on the basis of the individual allocation value multiplied by the overall target attainment based on financial performance targets and a modifier. A commitment with regard to the STI is made annually and the amount is paid out in cash once target attainment has been determined. The maximum amount of the STI per Management Board member is two times the allocation value. The principles of the STI are illustrated in the diagram "Principles of the Short-Term Incentive (STI)".

The STI is based on the two key financial performance targets adjusted EBIT (earnings before interest and taxes) and operating FCF (operating free cash flow*), each weighted at 50%.

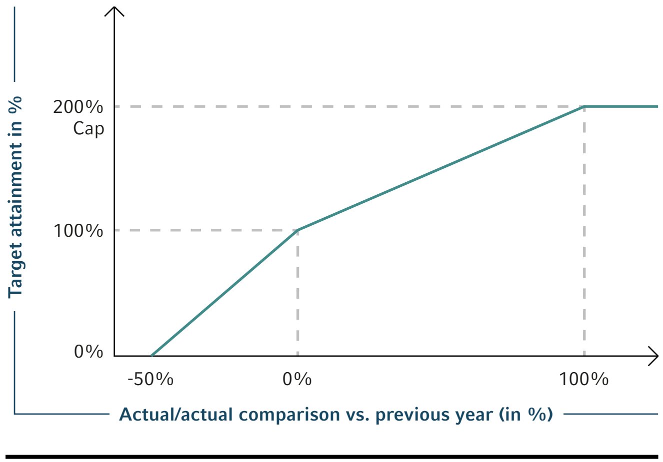
Adjusted EBIT refers to earnings before interest and taxes adjusted for the following items: Amortization/write-downs of intangible assets from purchase price allocation*, changes in the scope of consolidation, impairment of goodwill and other assets, reversal of impairment losses, gains or losses on disposal from M&A* activities and other non-operating items. Adjusted EBIT is a key indicator of the ElringKlinger Group's operating profitability.

Operating free cash flow encompasses cash flow from operating activities less cash flow from investing activities, adjusted for payments in respect of acquisitions and investments in financial assets as well as proceeds from divestments. Operating free cash flow is a central control parameter used for the purpose of mapping the company's internal financing potential and the liquidity inflow from its operating business.

The audited, certified, and approved consolidated financial statements of ElringKlinger AG are authoritative for both indicators. In the event of extraordinary circumstances, it is at the discretion of the Supervisory Board to set parameters deviating from the audited figures.

Target attainment with regard to adjusted EBIT is determined on the basis of a year-on-year comparison of actual figures. The actual value of adjusted EBIT in the respective financial year is compared with the actual value of adjusted EBIT of the previous financial year. If adjusted EBIT remains the same as in the previous year, target attainment equals 100%. If adjusted EBIT increases by +100%, the maximum level corresponds to 200%. In the case of adjusted EBIT of -50% compared to the previous year, the target attainment level is 0%, which corresponds to a

Target attainment curve for adjusted EBIT



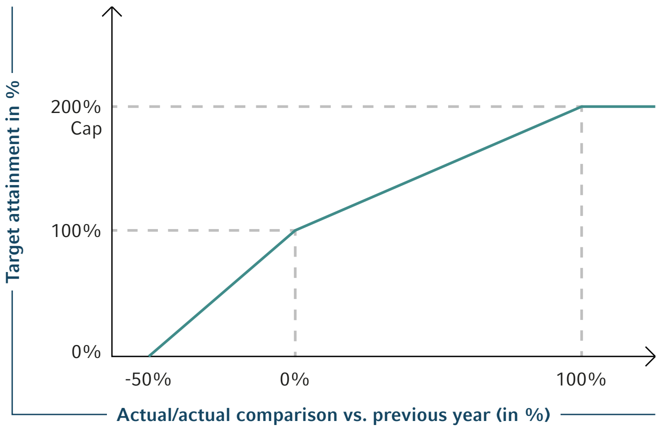
minimum value. The values within this range are interpolated. The adjusted EBIT target attainment curve is shown in the diagram "Target attainment curve for adjusted EBIT".

Target attainment for operating FCF is also determined on the basis of a year-on-year comparison of actual figures. The actual value of operating FCF in the respective financial year is compared with the actual value of operating FCF of the previous financial year. If operating FCF remains the same as in the previous year, target attainment equals 100%. If operating FCF is up by +100%, the maximum level corresponds to 200%. In the case of operating FCF of -50% compared to the previous year, target achievement is 0%, which corresponds to a minimum value. The values within this range are interpolated. The target attainment curve for operating FCF is shown in the diagram "Target attainment curve for operating FCF".

An additional modifier enables the Supervisory Board to assess not only the level of financial target attainment but also the

* Cf. glossary

Target attainment curve for operating FCF



individual and collective performance of the Management Board as well as the achievement of stakeholder objectives on the basis of specific criteria. The criteria for assessment are determined by the Supervisory Board at the beginning of each financial year, at the latest within the first three months. It is at the discretion of the Supervisory Board to determine the modifier, which can range from 0.8 to 1.2.

An individual allocation value is contractually agreed for each member of the Management Board. Overall target attainment is calculated from the sum of target attainment of adjusted EBIT and operating FCF multiplied by the modifier.

Determining the targets for the 2024 financial year

The financial performance targets were defined as follows for the 2024 financial year, resulting in the target attainment figures outlined below.

Target attainment STI 2024

EUR k	Target	2024	Target attainment	Weighting	Weighted target attainment
Adjusted EBIT	100,135	87,551	75%	50%	38%
Operating free cash flow	36,736	58,437	159%	50%	80%
Total				**100%**	**117%**

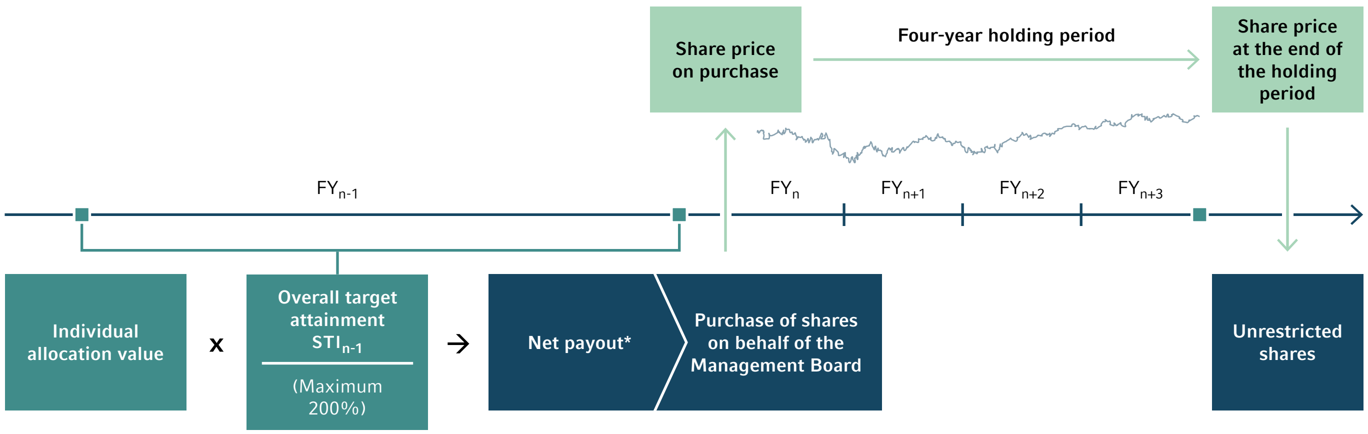
For the 2024 financial year, the criteria for the modifier were set collectively for all Management Board members as innovation ratio, performance of ElringKlinger's share price, and improvement in energy efficiency. The innovation ratio shows the hours spent on research and development for e-mobility in relation to the total hours spent on research and development. The share price criterion is based on the performance of ElringKlinger shares in 2024. Energy efficiency is calculated on the basis of CO_2 reduction. The indicator puts CO_2 emissions in relation to revenue. The modifier was determined by the Supervisory Board for all members of the Management Board, taking into account their joint accountability and corporate governance*, and stands at 1.07.

	Target	2024	Target attainment	Weighting	Weighted target attainment
Modifier					
Innovation ratio	>70%	82%	1.20	1/3	0.40
Improvement in share price	>20%	-33%	0.80	1/3	0.27
Improvement in energy efficiency	>5%	23%	1.20	1/3	0.40
Modifier				**1.00**	**1.07**
Overall target attainment					**125%**

STI EUR k	Allocation value	Total target attainment	STI
Thomas Jessulat	360	125%	450
Reiner Drews	240	125%	300
Dirk Willers	200	125%	250

* Cf. glossary

Principles of the Long-Term Incentive (LTI)



* LTI payout amount less applicable taxes and duties.
FY = financial year

Target attainment LTI 2024

EUR k	Target	2023	Target attainment	Weighting	Weighted target attainment
EBIT	85,000	82,905	95%	50%	48%
Operating free cash flow	14,810	36,736	200%	50%	100%
Total				**100%**	**148%**

	Target	2023	Target attainment	Weighting	Weighted target attainment
Modifier					
Innovation ratio	>70%	79%	1.20	1/3	0.40
Customer retention	>EUR 1,600 million	EUR 1,360 million	0.96	1/3	0.32
Improvement in energy efficiency	>5%	10%	1.20	1/3	0.40
Modifier				**1.00**	**1.12**
Overall target attainment					**165%**

Tables continued overleaf

Long-Term Incentive (LTI)

The members of the Management Board are entitled to an annual LTI commitment. In accordance with the method applied to the STI, the allocation value is multiplied by the overall target attainment figure for the STI of the financial year preceding the respective financial year. The amount paid out for the respective financial year under review is determined on the basis of this calculation. The amount payable must be fully invested in company shares after deduction of applicable taxes and duties. These shares must be held for a period of four years.

The underlying principles are illustrated in the diagram “Principles of the Long-Term Incentive (LTI)”.

A commitment is made to the individual allocation value in annual rolling tranches at the beginning of each financial year (allocation date). This form of compensation is granted immediately subsequent to the adoption of the consolidated financial statements and the determination of overall target attainment for the STI of the financial year preceding the grant year of the respective tranche of the LTI.

The gross payment amount is calculated by multiplying the individual allocation value by the figure of overall target attainment determined for the STI of the financial year preceding the grant year of the respective tranche of the LTI.

As regards the 2024 financial year, the overall target attainment was 165%. Target attainment is shown in the overview “Target attainment LTI 2024”.

LTI EUR k	Allocation value	Total target attainment	LTI	Average purchase price (EUR)	Number of shares purchased
Thomas Jessulat	540	165%	892	6.64	70,620
Reiner Drews	360	165%	595	6.64	47,801
Dirk Willers*	300	100%	300	6.64	24,801

* LTI target attainment is contractually set at 100% for the first year subsequent to the appointment on Oct. 1, 2023.

Overview shares

	Thomas Jessulat	Reiner Drews	Dirk Willers
Tranche 2021			
Number of shares	7,914	7,914	0
Average purchase price (in EUR)	10.43	10.43	0
Tranche 2022			
Number of shares	42,295	42,141	0
Average purchase price (in EUR)	8.97	8.97	0
Tranche 2024			
Number of shares	70,620	47,801	24,801
Average purchase price (in EUR)	6.64	6.64	6.64
Total number of shares	**120,829**	**97,856**	**24,801**
Share value at historical cost	**930,846**	**777,946**	**164,679**
Degree of fulfillment of the shareholding obligation	78%	194%	55%

Malus/clawback

If, subsequent to the payment of variable compensation, it transpires that the consolidated financial statements were incorrect and that, after correction of the consolidated financial statements, a lower amount or no amount shall be payable in respect of variable compensation or that there has been a breach of a material contractual obligation or significant breaches of the duty of care within the meaning of Section 93 AktG, it shall be at the discretion of the Supervisory Board to reduce the amount of unpaid variable compensation agreed for the financial year in which the violation occurred partially or completely to zero (malus) or to reclaim partially or completely (clawback) the gross amount of variable compensation already paid that was agreed for the financial year in which the violation occurred. No clawback actions occurred in 2024 with regard to variable compensation components.

Share ownership guideline

The Chairman of the Management Board is obliged to acquire shares in the company equivalent to twice the gross annual fixed salary within a build-up period of four years. One gross annual fixed salary was set for ordinary members of the Management Board. The shares are to be held for the duration of the appointment as a member of the Management Board of ElringKlinger AG and for a further two years beyond this period. Fulfillment of this obligation shall be demonstrated to the Chairman of the Supervisory Board at the end of each financial year. The table "Overview shares" provides details of the shares held by each member of the Management Board.

The historical acquisition costs of the shares are used for the purpose of measuring the degree of fulfillment of the shareholding obligation. Owing to the appointment of Thomas Jessulat as CEO on October 1, 2023, and the more extensive obligation to hold shares resulting from this, the degree of fulfilment as of December 31, 2024, is 78%.

Former members of the Management Board are also obliged to hold shares in the company until the agreed conclusion of the LTI vesting period. As of December 31, 2024, 100,110 shares were held.

Retirement pension

Under the retirement pension arrangements applicable prior to 2020, there are also commitments in respect of an annual retirement pension for the members of the Management Board. The retirement pension was contractually defined and amounts to between EUR 14k and EUR 30k.

If a member of the Management Board acts in a manner that is grossly negligent or displays gross negligence in his failure to act in specific instances and such actions or failures to act would result in significant damages to the Group, all entitlements to a retirement pension shall lapse; the same shall apply if the member of the Management Board enters the service of an entity that is in direct competition with the company.

The contracts include provisions governing surviving dependents' benefits. If a member of the Management Board dies during the period in which the employment contract is applicable or once the retirement benefits become due, his widow/widower or dependent children shall receive a widow's or orphan's pension. The widow's pension amounts to 50% of the retirement pension of the deceased. The orphan's pension amounts to 20% of the widow's pension to the extent that a widow's pension is payable simultaneously and 40% of the widow's pension to the extent that no widow's pension is payable.

The widow's and orphan's pensions shall not exceed 60% of the amount to which the deceased would have been entitled if he had entered into retirement on the day of his death.

Pension obligations

The present value (DBO) of the pension provisions is presented in the following overview. There is no current service cost.

	Thomas Jessulat		Reiner Drews		Dirk Willers	
EUR k	2024	2023	2024	2023	2024	2023
Present value (DBO)	450	449	205	205	0	0

Review and adjustment of target compensation

The salary components are to be reviewed by the company's Supervisory Board every two years. The next review is scheduled for October 2025. The amount of target compensation in the 2024 financial year corresponds to the amount of compensation in the 2023 financial year, with the exception of the target compensation for Thomas Jessulat, who was appointed Chairman of the Management Board (CEO) as of October 1, 2023. Target compensation is calculated on the basis of the STI and LTI allocation values assuming full target attainment, i.e., 100%.

The relative shares of the compensation elements are within the scope of the compensation structure stipulated by the compensation system. The Management Board contract of service relating to Dirk Willers took particular account of the expectations of institutional investors in that the focus was placed on the LTI and this was increased proportionately to the detriment of the pension contribution amount.

Target compensation 2024

	Thomas Jessulat		Reiner Drews		Dirk Willers	
	in EUR k	in %	in EUR k	in %	in EUR k	in %
Non-performance-based compensation						
Fixed annual salary	600	33%	401	31%	300	33%
Benefits for private pension provision	300	17%	300	23%	100	11%
Total	**900**	**50%**	**701**	**54%**	**400**	**44%**
Performance-based compensation						
Short-Term Incentive	360	20%	240	18%	200	22%
Long-Term Incentive	540	30%	360	28%	300	33%
Total	**900**	**50%**	**600**	**46%**	**500**	**56%**

Compensation granted and owed

	Thomas Jessulat[1]				Reiner Drews				Dirk Willers[2]			
EUR k	2024	in %	2023	in %	2024	in %	2023	in %	2024	in %	2023	in %
Non-performance-based compensation												
Fixed annual salary	600	26%	451	37%	401	25%	401	36%	300	31%	75	40%
Fringe benefits	26	1%	25	2%	10	1%	6	1%	17	2%	4	2%
Severance payments	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Benefits for private pension provision	300	13%	300	25%	300	19%	300	27%	100	10%	25	13%
Total	**926**	**40%**	**776**	**64%**	**711**	**45%**	**707**	**64%**	**417**	**43%**	**104**	**55%**
Performance-based compensation												
Short-Term Incentive	450	20%	446	36%	300	19%	396	36%	250	26%	83	45%
Long-Term Incentive	892	40%	0	0%	595	36%	0	0%	300	31%	0	0%
Total	**1,342**	**60%**	**446**	**36%**	**895**	**55%**	**396**	**36%**	**550**	**57%**	**83**	**45%**
Compensation granted and owed	**2,268**	**100%**	**1,222**	**100%**	**1,606**	**100%**	**1,103**	**100%**	**967**	**100%**	**187**	**100%**

[1] Appointment as CEO as of October 1, 2023
[2] Appointment as ordinary member of the Management Board as of October 1, 2023

Compensation granted and owed to active members of the Management Board in the financial year

The itemized overview "Compensation granted and owed" presents the amount of compensation granted and owed to each active member of the Management Board in the 2024 financial year. In accordance with the provisions set out in Section 162 of the German Stock Corporation Act (Aktiengesetz – AktG), the amount of compensation granted and owed must be stated as the amounts that became due in the reporting period and have already been paid to the individual Management Board member or whose due payment has not yet been concluded.

Compensation granted and owed to former members of the Management Board who left the company in the last 10 years

Compensation granted and owed in 2024 with regard to former members of the Management Board consists of a pension payment for Theo Becker. In addition to regular compensation up to the point of his departure on June 30, 2023, the figure for Dr. Stefan Wolf in 2023 includes a one-off payment of EUR 4,424 k in settlement of the contractual claims relating to the remaining term of his contract of service, which was terminated prematurely.

Former member of the Management Board	Amount EUR k 2024	Amount EUR k 2023
Theo Becker	194	194
Dr. Stefan Wolf	31	5,357

Supervisory Board compensation

Supervisory Board compensation is governed by the provisions set out in Section 13 of the Articles of Association of ElringKlinger AG. The level of compensation is determined by the Annual General Meeting. The members of the Supervisory Board shall receive remuneration that is commensurate with their duties and the circumstances of the company. The amount of compensation was last adjusted on July 7, 2020, and the compensation system was approved by the Annual General Meeting on May 18, 2021, with 99.32% and 99.42% of the votes respectively.

The members of the Supervisory Board receive fixed compensation of EUR 50k (2023: EUR 50k) for each full financial year they have served on the Supervisory Board. Additionally, the members of the Supervisory Board receive a lump-sum payment of EUR 1k (2023: EUR 1k) for each Supervisory Board meeting they attend. Membership of a committee is remunerated at EUR 6k (2023: EUR 6k) and membership of the Audit Committee is remunerated at EUR 10k (2023: EUR 10k). Compensation in respect of membership of the Mediation Committee shall only be payable in those cases in which the Committee has to be convened. No compensation is granted for the Nomination Committee.

The role of the Supervisory Board Chairman and the role of his Deputy are taken into consideration when determining the level of fixed compensation. The Chairman of the Supervisory Board receives three times (2023: three times) and the Deputy Chairman two times (2023: two times) the amount of fixed compensation. The chairperson of a committee receives double the respective amounts. The Chairman of the Supervisory Board receives double and the Deputy Chairman one and a half times the amount for their attendance at Supervisory Board meetings.

Expenses incurred by the Supervisory Board members are reimbursed to an appropriate extent. Supervisory Board members who have not held the post for a full financial year receive a pro rata amount of fixed compensation. Fixed compensation is due at the end of the financial year.

Amount of Supervisory Board compensation in 2024

In the year under review, compensation granted and owed to the Supervisory Board of ElringKlinger AG amounted to EUR 879k (2023: EUR 894k). Additionally, travel expenses totaling EUR 8k (2023: EUR 4k) were reimbursed. Compensation payable to the individual members of the Supervisory Board was as shown in the tables “Compensation 2024” and “Compensation 2023” respectively.

Compensation 2024

	Function	Fixed compensation		Committee compensation and membership[3]						Attendance fee		Total
		in EUR k	in %	Audit Committee	Personnel Committee	Nomination Committee	Mediation Committee	in EUR k	in %	in EUR k	in %	in EUR k
Helmut P. Merch[1]	C	113	79%	M	C	C	C	21	15%	9	6%	143
Klaus Eberhardt[2]		56	85%					8	12%	2	3%	66
Markus Siegers	D	100	88%		M		M	6	5%	8	7%	114
Ingeborg Guggolz		50	91%					0	0%	5	9%	55
Ludger Heuberg[1]		31	65%	C				13	27%	4	8%	48
Andreas Wilhelm Kraut		50	91%					0	0%	5	9%	55
Gerald Müller		50	91%					0	0%	5	9%	55
Paula Monteiro Munz		50	91%				M	0	0%	5	9%	55
Barbara Resch		50	96%					0	0%	2	4%	52
Gabriele Sons		50	82%		M		M	6	10%	5	8%	61
Manfred Strauß		50	77%	M		M		10	15%	5	8%	65
Bernd Weckenmann		50	91%					0	0%	5	9%	55
Olcay Zeybek		50	91%					0	0%	5	9%	55
Total		**750**	**86%**					**64**	**7%**	**65**	**7%**	**879**

[1] from May 16, 2024
[2] until May 16, 2024, Chairman
[3] as of December 31, 2024
C = Chairman, D = Deputy Chairman, M = Member

Compensation 2023

	Function	Fixed compensation		Committee compensation and membership[1]						Attendance fee		Total
		in EUR k	in %	Audit Committee	Personnel Committee	Nomination Committee	Mediation Committee	in EUR k	in %	in EUR k	in %	in EUR k
Klaus Eberhardt	C	150	81%	M	C	C	C	22	12%	12	7%	184
Markus Siegers	D	100	87%		M		M	6	5%	9	8%	115
Ingeborg Guggolz		50	89%					0	0%	6	11%	56
Andreas Wilhelm Kraut		50	89%					0	0%	6	11%	56
Helmut P. Merch		50	66%	C				20	26%	6	8%	76
Gerald Müller		50	89%					0	0%	6	11%	56
Paula Monteiro Munz		50	89%				M	0	0%	6	11%	56
Barbara Resch		50	91%					0	0%	5	9%	55
Gabriele Sons		50	80%		M		M	6	10%	6	10%	62
Manfred Strauß		50	76%	M		M		10	15%	6	9%	66
Bernd Weckenmann		50	89%					0	0%	6	11%	56
Olcay Zeybek		50	89%					0	0%	6	11%	56
Gesamt		**750**	**84%**					**64**	**7%**	**80**	**9%**	**894**

[1] as of December 31, 2023
C = Chairman, D = Deputy Chairman, M = Member

Information on the relative change in Management Board and Supervisory Board compensation

The overview "Compensation of the Management Board and Supervisory Board in relation to the company's earnings performance" lists the change in compensation granted and owed to the individual members of the Management Board and the Supervisory Board in relation to the financial performance indicators of the Group. In addition, remuneration trends for the entire workforce and employees covered by collective agreements in Germany are shown based on annual salaries, including special payments.

Compensation of the Management Board and Supervisory Board in relation to the company's earnings performance

EUR k	2024	Change in %	2023	Change in %	2022	Change in %	2021	Change in %	2020
Management Board									
Thomas Jessulat	2,268	86%	1,222	-16%	1,450	5%	1,386	52%	910
Reiner Drews	1,606	46%	1,103	-23%	1,427	6%	1,346	59%	845
Dirk Willers	967	–	187	–	0	–	0	–	0
Former members of the Management Board									
Theo Becker	194	–	194[1]	–	1,664	55%	1,077	34%	807
Dr. Stefan Wolf	31	–	5,357	113%	2,512	7%	2,348	58%	1,485
Supervisory Board									
Helmut P. Merch	143	88%	76	3%	74	0%	74	–	37
Klaus Eberhardt	66	-64%	184	2%	180	0%	180	-2%	183
Markus Siegers	114	-1%	115	3%	112	0%	112	-2%	114
Ingeborg Guggolz	55	-2%	56	65%	34	–	0	–	0
Ludger Heuberg	48	–	0	–	0	–	0	–	0
Andreas Wilhelm Kraut	55	-2%	56	4%	54	0%	54	-2%	55
Gerald Müller	55	-2%	56	4%	54	0%	54	-2%	55
Paula Monteiro-Munz	55	-2%	56	4%	54	0%	54	-2%	55
Barbara Resch	52	-6%	55	2%	54	2%	53	96%	27
Gabriele Sons	61	-2%	62	3%	60	0%	60	-2%	61
Manfred Strauß	65	-2%	66	3%	64	0%	64	-10%	71
Bernd Weckenmann	55	-2%	56	4%	54	46%	37	–	0
Olcay Zeybek	55	-2%	56	4%	54	0%	54	–	27
Key earnings indicators ElringKlinger AG									
Profit for the year or loss for the year	-154,967	–	10,600	–	-45,505	–	70,087	–	-11,566

[1] Prior-year figure added

Tables continued overleaf

Compensation of the Management Board and Supervisory Board in relation to the company's earnings performance

EUR k	2024	Change in %	2023	Change in %	2022	Change in %	2021	Change in %	2020
Key earnings indicators Group									
Adjusted EBIT	87,551	-13%	100,135		–		–		–
EBIT	-150,046	–	82,905	–	-42,231	-141%	102,030	268%	27,736
Operating free cash flow	58,437	59%	36,736	148%	14,810	-79%	71,971	-56%	164,695
Workforce									
Total workforce in Germany[2]	66	0%	66	7%	62	7%	58	6%	55
Employees covered by collective agreements in Germany[2]	60	2%	59	7%	55	0%	55	6%	52

[2] Without Management Board

Dettingen/Erms, March 24, 2025

On behalf of the Management Board

Thomas Jessulat, CEO

On behalf of the Supervisory Board

Helmut P. Merch, Chairman of the Supervisory Board

Report of the independent auditor on the audit of the compensation report in accordance with section 162 (3) AktG

To ElringKlinger AG, Dettingen an der Erms/Germany

Audit Opinion

We conducted a formal audit of the compensation report of ElringKlinger AG, Dettingen an der Erms/Germany, for the financial year from January 1, 2024 to December 31, 2024 to assess whether the disclosures required under Section 162 (1) and (2) German Stock Corporation Act (AktG) have been made in the compensation report. In accordance with Section 162 (3) AktG, we have not audited the content of the compensation report.

In our opinion, the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the accompanying compensation report. Our audit opinion does not cover the content of the compensation report.

Basis for the Audit Opinion

We conducted our audit of the compensation report in accordance with Section 162 (3) AktG and in compliance with the *IDW Auditing Standard: Audit of the Remuneration Report pursuant to Section 162 (3) AktG (IDW AuS 870 (09.2023))*. Our responsibilities under those requirements and this standard are further described in the "Auditor's Responsibilities" section of our report. Our audit firm has applied the requirements of the IDW Quality Management Standards. We have fulfilled our professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Charter for German Public Auditors and German Sworn Auditors (BS WP/vBP) including the requirements on independence.

Responsibilities of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board are responsible for the preparation of the compensation report, including the related disclosures, that complies with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they have determined necessary to enable the preparation of a compensation report, including the related disclosures, that is free from material misstatement, whether due to fraud (i. e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor's Responsibilities

Our objective is to obtain reasonable assurance about whether the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the compensation report, and to express an opinion on this in a report on the audit.

We planned and conducted our audit in such a way to be able to determine whether the compensation report is formally complete by comparing the disclosures made in the compensation report with the disclosures required under Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have neither audited the correctness of the content of the disclosures, nor the completeness of the content of the individual disclosures, nor the adequate presentation of the compensation report.

Stuttgart/Germany, March 24, 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Michael Sturm	Florian Sauter
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Corporate Governance

In accordance with Principle 22 of the German Corporate Governance* Code of April 28, 2022, the Management Board and the Supervisory Board report annually on corporate governance in the combined corporate governance statement, which also includes the declaration of conformity adopted on December 5, 2024. The statement is published on ElringKlinger's website and can be accessed via the following link: https://elringklinger.de/en/company/corporate-governance/corporate-governance-statement

Sustainability Report

ElringKlinger's annual sustainability report contains detailed information and key metrics relating to the following aspects of sustainability: products and innovations, production and the environment, supply chain, social commitment, and employees. It is scheduled for publication on the Group's website at www.elringklinger.de (Sustainability section) in mid-2025.

* Cf. glossary

Combined Non-Financial Report 2024

of ElringKlinger AG

This non-financial Group report has been combined with the non-financial report of the exchange-listed parent company ElringKlinger AG and relates to the 2024 financial year. Unless otherwise specified, the information presented refers to the ElringKlinger Group in its entirety.

The combined non-financial report has been prepared in accordance with the legal provisions set out in Section 289b et seqq. and Section 315b et seqq. of the German Commercial Code (Handelsgesetzbuch – HGB*) and, in the context of focused reporting, does as yet not currently follow a specific framework. As soon as the provisions set out in the Corporate Sustainability Reporting Directive (CSRD) come into force in Germany, the Group will comply with this standard. This report also contains information on the implementation of the EU Taxonomy Regulation (Regulation (EU) 2020/852). Deloitte GmbH Wirtschaftsprüfungsgesellschaft was commissioned to review the combined non-financial report of ElringKlinger AG for the period from January 1, 2024, to December 31, 2024, in the context of a limited assurance engagement.

As in previous years, the Group plans to publish a comprehensive sustainability report later in 2025.

Business model of the ElringKlinger Group

As an automotive supplier, the ElringKlinger Group specializes in the development of high-tech solutions relating to various types of drive system. As an independent development partner and large-scale manufacturer, the ElringKlinger Group is actively contributing to the transition within the mobility sector towards a sustainable future based on innovative products. Its core competence lies in R&D and industrial-scale manufacturing centered around large-volume series production contracts for passenger cars and commercial vehicles. In the field of e-mobility, the product portfolio encompasses innovative battery components and systems as well as fuel cell* stacks and components. ElringKlinger generates the majority of its revenue with products used in internal combustion engines. These include a variety of seals, innovative lightweighting concepts, and shielding systems. Beyond the automotive industry, the portfolio includes products made from high-performance plastics. The Group markets an extensive range of spare parts under the “Elring – das Original” brand.

In 2024, ElringKlinger employed an average of around 9,600 people in all vehicle markets around the globe. As of December 31, 2024, following the sale of the sites in Buford, GA, USA, and Sevelen, Switzerland, ElringKlinger was operating at a total of 45 international sites. Alongside smaller locations, these are divided into 37 production sites, four sales offices, and a logistics center. ElringKlinger maintains direct lines of contact with the majority of the world’s major vehicle and engine manufacturers. ElringKlinger leverages the benefits of a global network of suppliers to procure raw materials in a wide range of countries.

The Group’s operating business is divided into four segments: Original Equipment, Aftermarket, Engineered Plastics, and Other. The Original Equipment segment, in turn, comprises several business units. In organizational terms, the Aftermarket and Engineered Plastics segments correspond to business units.

In 2024, ElringKlinger unveiled a new corporate strategy by the name of SHAPE30. It encompasses five factors for success, one of which is sustainability. Thus, acting in a sustainable manner is an integral part of its long-term corporate strategy aimed at increasing enterprise value. The objective is to combine long-term economic success and growth in all areas of business with the preservation of social and ecological interests. Values, actions, and goals derived from aspects of sustainability are therefore reflected in the Group’s guidelines.

* Cf. glossary

Determining materiality

ElringKlinger conducted a far-reaching review of its materiality analysis in 2022 for the purpose of determining matters of significance and compliance with statutory obligations in respect of environmental, social, and employee-related matters, respect for human rights, and anti-corruption and bribery matters (Section 289c(3) HGB). This was validated by internal stakeholders in 2024. Among others, experts from the Human Resources, Quality, Health & Safety, Supplier Quality, and Compliance units as well as those from Corporate Communications and Sustainability were represented. The main focus was, above all, on those issues that are significantly influenced by the business model and the value chain. Six material topics were identified as part of this assessment; they cover the five statutory matters specified in Section 315c in conjunction with Sections 289c to 289e HGB.

As in the previous year, the following six topics were derived from this analysis:

- Combating corruption and bribery
- Responsibility in the supply chain
- Environmentally-friendly mobility
- Environmental protection in production
- Occupational health and safety
- Targeted recruitment and development of employees

As regards the topics covered by the non-financial report, there is a particularly high relevance in relation to the business operations of the ElringKlinger Group. These business operations, in turn, have an especially strong impact on the reportable matters. The exception is the aspect of social matters, where no major topics were identified.

The materiality analysis conducted in 2022 also confirmed that emissions in the upstream and downstream value chain (Scope 3*) as well as the issue of waste management are of increasing importance to the Group. With this in mind, the Group is continuing to develop both areas and will disclose information relating thereto in future sustainability reports.

Risk assessment

As regards the area of action relating to the business activities, as presented in the combined non-financial report of ElringKlinger AG, no material risks were identified that are associated with its own business activities and for which, pursuant to Section 289c(3) no. 3 and 4 HGB, the business activities are very likely to have or will in future have a severe negative impact on the reportable aspects. The risk assessment applies both to the Group's business activities and its business relations as well as the products and services of the ElringKlinger Group. Furthermore, there are no non-financial performance indicators that have been classified as being "key" indicators (Section 289b(3) no. 5, Section 315(3) HGB). The non-financial report therefore contains significant indicators for each material matter that illustrate progress made within the areas of action.

Risk management is seen as an all-embracing function within the ElringKlinger Group. New risks that may potentially arise are incorporated into the existing risk management system. Relevant risk assessments have been performed by teams of experts for all material topics presented in this non-financial report; they are continuously updated and reviewed.

* Cf. glossary

Combating corruption and bribery

Integrity is of fundamental importance to commercial activities within the ElringKlinger Group and thus constitutes one of the company's six core values. To this end, Group-wide guidelines apply to all employees around the world.

ElringKlinger aspires to high standards, particularly with regard to combating corruption and bribery. The Group has put in place a compliance management system (CMS) in an effort to uphold its values and to prevent or detect breaches of the law at an early stage. The CMS is based on the three fundamental principles of prevention, detection, and investigation of compliance violations and, in addition to binding compliance rules, also includes requisite measures to ensure compliance with laws and directives and to act and behave responsibly. It is designed to avoid violations of statutory provisions, such as incidents of corruption and bribery or non-compliance with antitrust law, which, in addition to reputational and financial risks, would also have personal consequences under criminal and labor law. ElringKlinger's CMS is based on the seven fundamental elements of IDW Auditing Standard 980: compliance culture, compliance objectives, compliance organization, compliance risks, compliance program, compliance communication, and compliance monitoring and improvement.

The fundamental corporate values set out by the Group in 2024 as part of SHAPE30 include Passion & Team Spirit, Innovation, Focus, Trust & Reliability, Sustainability, and Integrity. ElringKlinger expects all employees to assume responsibility when it comes to actively protecting and upholding the company's values, in addition to neither endorsing nor tolerating corrupt conduct relating to gratuities from or to business partners. In addition, the code of conduct and anti-corruption policy clearly address issues such as corruption, conflicts of interest, gifts, and benefits. The ElringKlinger Group also expects its business partners to adhere to these values and principles of conduct in order to maintain a working relationship based on trust.

The compliance organization is headed by the Chief Compliance Officer (CCO), who is responsible for implementing, structuring, and refining the CMS. He is supported by regional or local compliance officers in the high-revenue regions of Europe, Asia, and South America, who report directly to him. In North and Central America, the compliance organization is complemented by external compliance experts at law firms. In addition, the CCO has a direct reporting line to the Chief Executive Officer, who oversees compliance with legal requirements and internal policies. Reporting with regard to compliance issues is conducted on a regular basis – to the Management Board as well as at Supervisory Board committee meetings.

The compliance organization follows up directly on indications of potential compliance-related violations in order to clarify critical issues as quickly as possible and initiate appropriate measures. Such information can be submitted via several reporting channels. In addition to the online-based "Share with us" whistleblower system, this may also include communication by telephone, in writing, or in person.

The global case management tool that ElringKlinger uses to process cases structures the procedure for dealing with compliance-related allegations and supports the regional compliance officers in dealing with notifications. In the 2024 financial year, the regional compliance officers discussed the key developments in their area of responsibility with the CCO at five regular meetings.

As part of the onboarding process, all employees are furnished with copies of the Group's directives and policies prior to joining the company. This highlights the importance of compliance issues and helps to avoid operational losses and reputational damage. On the basis of an internal training program, the ElringKlinger Group provides its employees and managers with the necessary insights into compliance and raises their awareness of compliance risks in day-to-day business. The Group's standardized compliance online training must be repeated every two years by all employees with a personal Office account. In the financial year under review, this training was completed by 93% of the relevant target group, i. e., 4,068 employees. Selected employees who work in particularly sensitive areas, such as sales, purchasing, or project management, receive in-depth training relating to competition law, corruption, and dealing with benefits and conflicts of interest.

Fundamentally, risks relating to infringements within the area of corruption and bribery exist throughout the entire ElringKlinger Group. However, in view of its firmly established corporate culture and expanded CMS, ElringKlinger considers the risk of significant compliance infringements to be low. ElringKlinger was not aware of any case in the 2024 reporting period in which material breaches in connection with bribery and corruption occurred within the parent company or the subsidiaries.

Responsibility in the supply chain

As a company with global operations and a set of fundamental values, ElringKlinger endeavors to engage solely with suppliers who take their responsibilities seriously and comply with applicable labor, social, and environmental standards. The Group regularly reviews these requirements and standards in the form of supplier audits.

Reflecting the transformation process in the automotive industry, the product portfolio maintained by ElringKlinger is also undergoing change. This is accompanied by the emergence of new product groups that call for an extended supplier base. At the same time, the complexity of products is becoming more pronounced. This translates into a more extensive audit workload for ElringKlinger's Supplier Quality Management department, which is involved in the selection of direct suppliers[1] and is responsible for qualifying new suppliers.

Values play a pivotal role when it comes to working with suppliers. It is with this in mind that ElringKlinger requires its suppliers to comply with the code of conduct and the supplier handbook. Both documents set out the ethical standards and behavioral codes that ElringKlinger expects its suppliers to adhere to. As of December 31, 2024, the code of conduct for suppliers had been signed by 45.1% of all direct suppliers. The code is based on the principles of the International Labour Organization (ILO) as well as the United Nations (UN) Global Compact, the Universal Declaration of Human Rights of the UN, the UN Guiding Principles on Business and Human Rights, and the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD). The values of the Group are also enshrined in a policy statement on the upholding of human rights, which applies to all of the company's sites and all business contacts within the supply chain.

In its first BAFA report (Federal Office for Economic Affairs and Export Control; Bundesamt für Wirtschaft und Ausfuhrkontrolle – BAFA), which was published in 2024 in compliance with the German Supply Chain Due Diligence Act, the ElringKlinger Group describes its approach to implementing and continuously improving its human rights and environmental due diligence obligations. From now on, the Group will be supported by a software application designed to make its supply chains more sustainable. This includes the monitoring of sustainability requirements by means of questionnaires, the completion of concrete and abstract risk analyses, and the system-aided compilation of reports.

Operational management governed by environmental considerations as well as structured practices and processes in relation to the implementation of the company's environmental policy are other essential prerequisites. To this end, the Group requires its direct suppliers in the automotive field to have a quality management system in accordance with ISO* 9001 and IATF* 16949 and an environmental management system according to ISO 14001. As of December 31, 2024, 99.0% (2023: 98.8%) of all direct suppliers in the automotive business were certified according to the quality management standard ISO 9001. At the same time, 52.0% (2023: 53.0%) of direct suppliers in the automotive field were certified according to environmental standard ISO 14001. In 2024, 75.6% (2023: 75.5%) of direct automotive suppliers were certified under the IATF 16949 quality management standard for the automotive industry. Dealers, raw material suppliers, and suppliers designated by customers were not taken into account in calculating the proportion of IATF-16949-certified suppliers. The Group has specified a target quota of 78% for 2025.

Supplier Quality Management performs supplier audits in accordance with the VDA 6.3 standard on an annual basis in order to verify compliance with the requisite standards and meet due diligence requirements within the supply chain. In the period under review, the process also covered initial aspects relating to sustainability. Given the growing importance of sustainability issues in the supply chain, the Group extended this section of the questionnaire in 2024. Appropriate training for Supplier Quality Management is scheduled for early 2025. In those cases in which deviations from points listed in the questionnaire are identified, the Group draws up improvement measures to be adopted within a timeframe specified on a case-by-case basis according to the work required. Implementation of these measures is subsequently verified. Significant deviations can result in the supplier relationship being terminated immediately. In 2024, ElringKlinger conducted 172 (2023: 202) supplier audits.

For the purpose of selecting and qualifying new suppliers, Supplier Quality Management applies a catalog of criteria spanning such conventional aspects as the quality, reliability, and liquidity of suppliers as well as sustainability criteria such as compliance with labor, social, and environmental standards. In addition, management reports detailing the current situation and developments in the field of Supplier Quality Management are submitted to the Management Board on a monthly basis.

[1] Suppliers providing production materials or carrying out external work linked to the manufacture of ElringKlinger products.

* Cf. glossary

ElringKlinger relies in particular on the International Material Data System (IMDS) for the declaration of materials used. In addition, information collected from all automotive suppliers on the material and chemical composition of semi-finished products and components is passed on to ElringKlinger and customers. The IMDS is designed such that all key automotive supply companies and suppliers throughout the supply chain can store their data in a single system, thereby ensuring transparency with regard to the exact contents and enabling components to be disposed of in an environmentally sound manner at the end of their life cycle. The database is also used as a platform for quickly checking the countries of origin of conflict minerals. Among other things, US legislation on conflict minerals (Dodd-Frank Act) requires companies to disclose the origin of certain raw materials. This is intended to rule out the possibility of conflict minerals such as tantalum, gold, tungsten, and tin from the Republic of Congo or neighboring countries from being incorporated into products via supply chains. Although ElringKlinger does use small quantities of several of the aforementioned materials, it does not source these from the countries stated. In 2024, the analysis of raw materials procured by the ElringKlinger Group based on supplier information again provided no evidence that conflict minerals were being sourced from the regions listed above.

Environmentally-friendly mobility

Environmentally-friendly mobility calls for innovative solutions. Demand for mobility looks set to rise, which in turn will be accompanied by higher emissions. If these are to be scaled back, which coincides with efforts to reduce the current use of fossil fuels, it is all the more important that mobility takes on a more environmentally friendly form. Driven by its corporate purpose of "Pioneering Innovative Technologies for a Sustainable Future," it is precisely in this area that ElringKlinger intends to make its mark. Drawing on its abilities as an innovator, the Group develops groundbreaking solutions that contribute to the sustainable transformation of mobility. By 2030, the Group plans to achieve a global revenue share of more than 50% with products not centered around the internal combustion engine (ICE). This encompasses not only the automotive industry but also revenue in other sectors.

In 2024, ElringKlinger's management set out its Group strategy in the form of SHAPE30, which outlines the direction to be taken on the basis of five success factors as a framework for action. One of the five success factors is product transformation, which also determines the path to be taken in pursuit of ElringKlinger's long-term goal of raising the share of revenue generated by technologies beyond the combustion engine. To this end, the company drew up an all-embracing strategic approach in which the tactical elements relating to product groups, markets, and locations are intertwined. As part of this approach, ElringKlinger's management regularly assesses its wide-ranging product portfolio in respect of market attractiveness and competitive positioning. The findings from these reviews form the basis for decision-making on the Group's global site strategy. In 2024, ElringKlinger's decision to divest itself of two production plants operating in the field of thermal and acoustic shielding was made in the context of such an evaluation.

Committed to shaping sustainable mobility through innovative and pioneering R&D work, ElringKlinger was an early mover in its efforts to forge component and system expertise in the product fields of battery and fuel cell technology. At the same time, the units once considered the "traditional" areas of business applied their materials expertise and manufacturing skills to the development of products needed in zero-emission vehicles. As it strives to increase the share of revenue generated by E-Mobility products over the long term, the Group has also stepped up its sales activities in this area.

The political climate in Europe and around the world is currently marked by a high level of uncertainty. This stems not only from geopolitical and trade conflicts but also from social and political debate surrounding measures aimed at mitigating climate change. In Europe, for example, discussion has turned to postponing the ban on combustion engines, while in the United States funding previously directed at sustainable mobility is being scaled back. These latest developments may lead to a shift in regulatory requirements in the future. However, based on figures released by industry data providers and also taking into account the finite nature of fossil fuels, the fundamental trend towards sustainable mobility remains intact.

Despite regional differences in the pace of transformation, the pattern emerging is essentially the same. The passenger car sector is seeing an expansion in the number of battery-powered models being launched, particularly those designed for short- and medium-range travel. When it comes to long distances or heavy-duty applications, such as SUVs, vehicles powered by fuel cells may be a viable alternative, as they are capable of generating energy on board. The same reasoning applies even more so to the commercial vehicle and bus sector. Here, too, the emphasis is on meeting the substantial energy requirements of the drive unit. Frequent stoppages for battery recharging would translate into additional costs for the bus operator or freight forwarder. Fuel cells, by contrast, generate electrical energy on board, as a result of which the range of fuel-cell-powered vehicles is far superior to that of fully electric vehicles. It is for this reason that ElringKlinger continues to focus both on battery technology and, via its subsidiary EKPO, on fuel cell solutions.

In the field of battery technology, ElringKlinger is an engineering partner and supplier of individual components for high-volume series production as well as modules and systems for niche markets. The Group has concentrated the majority of its activities at its site in Neuffen, Germany. In addition, a new battery hub for the American market is currently being established in Easley, SC, USA.

Having geared up for industry transformation at an early stage, the Group secured its first series production contract for cell contacting systems* back in 2010. Its extensive product portfolio now encompasses battery systems, battery modules, and components for batteries such as cell contacting systems, module connectors, and cell covers. As regards the nominations received for e-mobility applications, the Group further expanded its manufacturing capacity in 2024, the aim being to take production to an industrial level. In this context, the Group is also preparing for the ramp-up of the high-volume order for cell contacting systems destined for the BMW Group's New Class models. The first series production systems have already been installed and put into operation.

The EKPO Fuel Cell Technologies (EKPO) joint venture brings together ElringKlinger's fuel cell activities with those of French automotive supplier OPmobility. The rationale behind this partnership is to accelerate the development of hydrogen-based mobility in the area of low-temperature PEM (Proton Exchange Membrane) fuel cells. ElringKlinger is conducting extensive research, which is being funded with up to EUR 177 million until 2027 as part of the European "IPCEI* Hydrogen" program ("IPCEI" standing for "Important Project of Common European Interest"). The funding comes from the German Federal Ministry for Digital and Transport and the Ministry of the Environment, Climate Protection, and Energy Sector of the state of Baden-Württemberg and is to be used to develop powerful PEM fuel cell stack modules for heavy-duty applications and get them ready for industrial-scale manufacture.

EKPO already boasts an extensive product portfolio and offers complete stack modules in various performance categories as well as corresponding components such as metallic bipolar plates* or plastic media modules. In September 2024, EKPO unveiled its new NM20 stack module at the IAA TRANSPORTATION trade show. Delivering up to 400 kW, it is EKPO's most powerful product yet and is designed particularly with heavy-duty applications in mind. The core features of the new stack include high efficiency, lower hydrogen consumption, the ability to operate at higher temperatures, recyclability, and a long service life. Another key benefit of the new system is its power density, which has been significantly increased compared to previous generations. Operating in a market environment presenting a multitude of challenges, EKPO has set itself the medium-term goal of playing a key role in the fuel cell market for both mobility and stationary applications.

The EKPO joint venture managed to attract a number of new customers over the course of 2024. The contracts secured by the company reflect the wide range of potential applications. Integrated into a fuel cell system, an ElringKlinger stack will supply power to aircraft at Amsterdam's Schiphol Airport. Working in close cooperation with Belgian system specialist MITIS, EKPO delivered an NM12 stack for stationary power generation at the European Spaceport in French Guiana in 2024. In addition, ElringKlinger received an order from the FAW Group for the development and supply of fuel cell stack modules to be used in a next-generation fuel cell vehicle of FAW's premium Hongqi marque.

Drawing on their core competencies in coating, punching, embossing, molding, and plastic injection molding, the business units previously focused primarily on products for combustion engines have also been heavily involved in developing solutions for emission-free mobility over the past decade. In the Metal Sealing Systems & Drivetrain Components business unit, the focus of R&D in 2024 was on refining rotor/stator technologies and (solid) steel brake discs.

The focus for the Lightweighting/Elastomer* Technology business unit continues to be on reducing CO_2 emissions. Lighter products help to cut vehicle weight, which in turn contributes to a reduction in fuel consumption or an increase in range. Minimizing CO_2 emissions and cutting particulate pollution by reducing tire wear are the main objectives in this regard. Its many years of experience relating to materials, processes, and manufacture are particularly reflected in its broad product portfolio, which includes drivetrain and body products. In 2024, the focus was on underbody shielding products designed to protect the battery. Another key aspect of this technology is its full-scale recyclability, which has a positive impact on sustainability.

By 2030, ElringKlinger aims to achieve a revenue share of more than 50% with products not associated with the combustion engine. In 2024, the share of Group revenue generated by new technologies rose to 11.6% (2023: 10.8%). This figure differs from that reported for the environmental KPI stated in the "EU Taxonomy" section in terms of both its amount and what it covers. Essentially, it comprises the revenue generated in the Lightweighting business unit, which helps to reduce emissions in hybrid vehicles or those powered by combustion engines but does not fall within the scope of the definition according to the EU Taxonomy.

* Cf. glossary

Environmental protection in production

As a manufacturing company, ElringKlinger has an impact on the environment. The Group embraces its ecological responsibilities as part of its environmental and quality policy. For this reason, the Group aims to dedicate around 1% of its total capital expenditure[2] each year to measures that help reduce emissions.

The latest figures published by the Federal Environment Agency indicate that Germany's climate protection target for 2030 is within reach. The forecast for 2024 points to a reduction in greenhouse gases of almost 64% compared to 1990. Germany's climate target stipulates a reduction of 65%. Thus, if Germany stays on course, the climate action target for 2030 will be achieved in full. The energy and industry sectors in particular have seen considerable reductions, mainly due to the expansion of renewable energy.[3] As part of its climate strategy, set out as early as 2021, ElringKlinger has also introduced energy from sustainable sources for operations at many of its sites and aims to source exclusively green electricity for all sites in Europe by 2025 and at a global level by 2030.

Acknowledging its all-embracing responsibility toward the environment, ElringKlinger has drawn up a quality and environmental policy that applies to all employees and suppliers. Overall responsibility for environmental protection and other sustainability-related matters rests with ElringKlinger's Management Board. The environmental officer of ElringKlinger AG and its plants is always involved in investment decisions of environmental relevance. The corporate and business units are responsible for mapping out environmental topics, and the energy officers appointed at the individual production sites are responsible for implementation.

The ElringKlinger Group included 27 companies and their sites in its environmental reporting in 2024. As well as 35 production sites, ElringKlinger Logistic Service GmbH, Ergenzingen, Germany, was also included. The excluded production sites in Timisoara, Romania, Chongqing, China, Qingdao, China and Tianjin, China are not subject to reporting due to their small size and minor relevance to the environmental indicators. The production site in Easley, SC, USA, which has also not been included, was still under construction in 2024. In 2024, therefore, ElringKlinger's environmental reporting covered 89.7% of the Group's production sites, representing 97.3% of Group revenue and 95.7% of the Group's workforce.

In 2024, ElringKlinger continued to implement its strategy for becoming carbon-neutral in net terms by 2030 in respect of its Scope 1* and Scope 2 emissions. ElringKlinger's management is focusing on a total of four specific measures when it comes to achieving this goal. These are: (1) increasing energy efficiency with regard to all buildings and facilities, (2) expanding renewable energies, (3) switching to green electricity, and (4) offsetting CO_2 emissions that are considered completely unavoidable by investing in external projects aimed at reducing CO_2 emissions. In 2024, the contracts for the supply of electricity to Group companies in France, Switzerland, Turkey, Brazil, and Suzhou, China, were converted to green electricity. Overall, all emissions from the German sites associated with gas, the vehicle fleet, and air travel were offset completely by means of voluntary compensation measures.

The companies covered in this report have an environmental management system that has been implemented and certified according to the international DIN EN ISO* 14001:2015 standard. Among the exceptions are the production sites in Karawang, Indonesia, Fremont, CA, USA, Solihull, UK, San Antonio, TX, USA, and EKPO's production site in Dettingen, Germany. In addition to external system certification, internal audits are also performed at the production sites, for example with regard to energy and hazardous materials management. The indicators shown below are calculated once per year, analyzed, and submitted to the Management Board for information purposes and as a basis for possible action.

In line with the Greenhouse Gas Protocol, ElringKlinger subdivides the environmental indicators into Scope 1, Scope 2, and Scope 3 emissions. Direct emissions attributable to the company itself include emissions from gas, heating oil, engine test benches, and the company's own vehicle fleet (Scope 1). Scope 2 emissions are indirect CO_2 emissions caused by electricity consumption. The reported Scope 3 emissions relate to employee air travel.

In 2024, both direct and indirect CO_2 emissions declined to 51,390 tons (2023: 68,270 tons). CO_2 emissions per EUR 1 million of total Group revenue stood at 28.5 tons (2023: 37.0 tons).

[2] The capital expenditure made in order to achieve the target (particularly additional capital expenditure on energy-saving measures) relates to the emission-reducing elements of investment in property and buildings, in technical equipment and machinery, and in other equipment (operating and office equipment).
[3] German website: Wo steht Deutschland bei seinen Klimazielen? | Bundesregierung

* Cf. glossary

Of the total direct CO_2 emissions in tons, 19,480 tons (2023: 19,200 tons) were Scope 1 emissions from gas and heating oil consumption. Direct CO_2 emissions from the fleet and rental vehicles fell to 620 tons in the reporting year (2023: 710 tons), despite the larger number of company vehicles (2024: 369 vehicles/2023: 303 vehicles). The average CO_2 emissions per vehicle in the company vehicle fleet and by rental vehicles were cut to 101 g/km (2023: 105 g/km). The fleet of company vehicles includes all vehicles at ElringKlinger sites in Germany. The figures for rental vehicles also relate to the Rest of Europe, the United States, and Canada.

Total indirect CO_2 emissions fell by 35.3% to 31,290 tons (2023: 48,360 tons). This change in indirect CO_2 emissions is mainly due to the significant decrease in emissions from electricity consumption, which fell to 28,670 tons in the 2024 reporting year (2023: 45,800 tons).

ElringKlinger maintains a metering infrastructure at its European production plants to facilitate an end-to-end assessment of energy flows, because the Group attaches great importance to the responsible use of energy required for the manufacture of its products. This enables previously unused potential for energy efficiency to be tapped, energy costs to be lowered, and the emission of greenhouse gases (e.g., CO_2 emissions) to be reduced. All production sites in the EU are ISO 50001-certified, with the exception of the minor production site in Romania.

At some sites, the Group operates combined heat and power (CHP) units as well as wind and several solar installations at the plants in Germany, Spain, India, and China so as to protect the environment and become more independent of electricity suppliers. The advantage of a CHP unit is that electricity and heat can be obtained in parallel. In 2024, energy consumption (electricity, gas, and heating oil) was down on the prior-year level at 268,490 MWh (2023: 286,200 MWh). Of this, a total of 94,190 MWh (2023: 106,900 MWh) is attributable to ElringKlinger AG.

Mitigating climate change is extremely important in the ElringKlinger Group. Continuous process optimization and the procurement of energy-efficient equipment are designed to help reduce consumption of finite resources. ElringKlinger also invests regularly in building maintenance, which also brings energy savings. Although these measures generally contribute to lower emissions, Group growth and the procurement of new equipment or the commissioning of further production plants may be accompanied by step-fixed increases in CO_2 emissions. Changes in CO_2 emissions at Group level are constantly monitored and analyzed by the energy officer.

1.1% of ElringKlinger's investments in property, plant, and equipment and investment property went toward measures designed to reduce emissions in 2024. This indicator differs from the scope of definition stipulated by the EU Taxonomy in terms of both its amount and what it covers, as the focus of the indicator presented here is exclusively on emission reductions. Among other things, these included a biofilter system, a roof renovation project, and the replacement of a compressor with integrated heat recovery. The target of putting approximately 1% of total investments toward emission-reducing measures was thus met in 2024.

	2024	2023
Total direct and indirect CO_2 emissions in t[7]	**51,390**	**68,270**
Total direct CO_2 emissions in t[1]	**20,100**	**19,910**
of which direct CO_2 emissions from gas, oil, engine test benches, etc. in t	19,480	19,200
of which direct CO_2 emissions by the vehicle fleet in t[2]	620	710
Total indirect CO_2 emissions in t	**31,290**	**48,360**
of which indirect CO_2 emissions from electricity in t[3]	28,670	45,800
of which indirect CO_2 emissions from air travel in t[4,5]	2,620	2,560
CO_2 emissions per EUR 1 million of revenue in t	**28.5**	**37.0**
Voluntary offsetting of CO_2 emissions in t[6]	**15,060**	**15,450**

[1] ElringKlinger AG's total direct CO_2 emissions for 2024 amounted to 9,890 tons (2023: 10,700 tons). These comprise 9,400 tons (2023: 10,200 tons) of direct CO_2 emissions from gas, oil, and engine test benches, among other things, and the direct CO_2 emissions of the parent company's vehicle fleet, which amounted to 490 tons in 2024 (2023: 560 tons).
[2] Emissions are calculated by multiplying the actual kilometers driven by the vehicles annually, i.e., mileage, by the CO_2 emissions stated by the relevant vehicle manufacturer. The fleet of company vehicles includes all vehicles at ElringKlinger sites in Germany. The figures for rental vehicles also include the Rest of Europe, the US, and Canada.
[3] At the parent company, ElringKlinger AG, 0 tons (2023: 0 tons) of indirect CO_2 emissions arose from electricity in 2024 (calculated using the market-based method).
[4] Of the indirect CO_2 emissions from air travel, ElringKlinger AG accounted for 2,080 tons in 2024 (2023: 1,960 tons).
[5] Air travel from the sites in Germany, Switzerland, France, Romania, Hungary, and partly the United Kingdom as well as centrally recorded flights from the sites in Italy, Turkey, Mexico, Canada, and the Unites States.
[6] ElringKlinger paid to offset its emissions from gas consumption, oil, engine test benches, the vehicle fleet, and air travel at its German production companies.
[7] To a lesser extent, ElringKlinger uses extrapolations in those cases in which complete invoicing values for the 2024 financial year are not yet available for individual entities.

Occupational health and safety

ElringKlinger is committed to a safe and healthy working environment around the globe and consistently prioritizes health and safety issues. Indeed, it is ElringKlinger's mission to reduce accidents at work to an absolute minimum and promote employee health.

ElringKlinger has a health and safety management system in place at the majority of its plants, certified in accordance with ISO* 45001. This system is designed to support the Group in its efforts to evolve its occupational health and safety processes and standards, improve emergency preparedness and response, and establish a uniform understanding of safety throughout the Group. In 2024, the new battery technology site in Neuffen, inaugurated in 2022, was certified in accordance with ISO 45001 as scheduled. The plants in Chongqing, China, San Antonio, TX, USA, Fremont, CA, USA, Solihull, England, Karawang, Indonesia, Timisoara, Romania, and EKPO Fuel Cell Technologies GmbH in Dettingen, Germany, have not yet been certified in accordance with the ISO 45001 occupational safety standard, as some of the facilities are small in size.

ElringKlinger relies on a proactive approach in its efforts to avoid accidents at work altogether. This includes clearly defined work instructions – standardized across the Group – on the issue of safety, regular safety training, preventive measures in individual workplaces, a technical safety standard for systems and work equipment, and suitable personal protective equipment. To ensure health and safety, ElringKlinger prepares risk assessments for each workplace and updates these on an ongoing basis. In addition, regular safety inspections are conducted throughout the Group. The "EKOS*" production system used across the Group also focuses on standardized occupational safety processes and stipulates, among other things, that the daily shop-floor meetings held by the production teams focus on "safety first" – with a strong focus on occupational safety. Regular internal audits are conducted with a view to verifying compliance with specified requirements and swiftly rectifying any deficiencies by means of appropriate action plans. The occupational safety policy and the central processes of workplace safety management apply equally to all employees of the ElringKlinger Group.

The Health and Safety Management corporate unit is responsible for overseeing occupational safety issues. It maintains a direct line of reporting to the Management Board of ElringKlinger AG. The unit is responsible for ensuring that minimum standards for occupational health and safety and health protection are defined and implemented in the relevant business units. Among other things, this relates to safety technology, protective equipment, the handling of hazardous substances, the procurement of safe equipment, and the qualification of employees.

In the financial year under review, the number of occupational accidents resulting in more than three days' absence from work was brought down to 88 (2023: 105 occupational accidents). Of these, 47 occupational accidents (2023: 43 occupational accidents) related to ElringKlinger AG. Including the employees of the entities divested as of December 31, 2024, the relative accident frequency per 1,000 employees was 9.2 (2023: 11.0) at Group level and 15.2 (2023: 14.5) with regard to the parent company. ElringKlinger conducts a detailed analysis of the cause of all accidents and the steps leading up to them. Corrective and preventive measures to avoid similar accidents are defined and implemented promptly. The figure for occupational accidents causing staff to be off work for more than three days is part of the ElringKlinger indicator system and is presented to the Management Board on a monthly basis.

ElringKlinger's health management system takes into account the requirements of employees based on the nature of their jobs in order to reduce stress in the workplace and implement uniform standards. In an effort to prevent health-related impairments, ElringKlinger relies on preventive, needs-based measures as well as health-promoting measures geared towards specific target groups. Apart from ergonomic workstations, these include various training sessions that address the topics of nutrition, physical fitness, and first aid.

* Cf. glossary

Targeted recruitment and development of employees

The automotive industry is in a state of transformation – and the challenges ahead are complex. ElringKlinger believes that this process of transformation will only be successful if it is built on a progressive corporate culture with motivated employees. It is with this in mind that the Group offers an extensive range of training programs aimed at staff development, thereby underpinning efforts to retain employees over the long term.

The automotive sector as a whole is undergoing a major transformation process. Significant changes to the product portfolio allied with wide-ranging digitalization projects mean that specialists are increasingly in demand. As a technology-oriented Group, ElringKlinger is also impacted by this trend, particularly in the future-focused fields of alternative drive technologies. The ability to attract qualified staff is therefore a principal concern for the Group. In all key decisions, Human Resources maintains close contact with the Management Board.

Due to the shift within the automotive industry toward alternative drive systems, the Group adapted employee numbers to the current business situation in many units. At the same time, ElringKlinger added staff in the strategic fields of the future in particular. R&D, above all, saw an increase in its headcount over the course of the 2024 financial year.

The use of digital media also plays an increasingly important role in the recruitment of new employees. In an effort to reach out to different target groups, ElringKlinger harnessed various social media channels (including LinkedIn and Instagram), its own jobs page, and various other careers portals. The Group also attended several vocational training fairs, including another ElringKlinger "INFO Day" for training and study. In 2024, ElringKlinger was again in a position to offer in-person events, such as study visits by school classes and university students. In addition to using external recruitment options, the company is aiming to recruit highly committed and qualified candidates from the personal spheres of employees based on the staff referral scheme "Bring a Talent." A total of 208 new employees have been brought on board since the initiative was launched in September 2018.

The Group builds up internal expertise through a range of training programs and work-study courses. Alongside the external recruitment of specialists, these measures are important both in terms of training new internal experts and retaining qualified staff for the long haul. In late 2024, 12 work-study students and 19 vocational trainees embarked on courses at ElringKlinger's main site in Dettingen, Germany. Thus, ElringKlinger was able to fill 13 dual study programs and 9 vocational job profiles in the reporting year.

During the 2024 financial year, an average of 93 employees were engaged in training at the parent company ElringKlinger AG in Dettingen, Germany (2023: 87 employees). The training ratio for the Group stood at 1.5% on average (2023: 1.5%). The average training ratio for the parent company (number of vocational trainees and internal students in relation to the total number of employees) rose slightly to 3.1% in 2024 (2023: 3.0%).

ElringKlinger offers all employees around the globe access to Workday Learning, a digital learning management system (LMS). This system brings together the full range of qualification and training measures within the Group. The LMS provides access to various learning processes, training formats, and content at a global level. At the same time, all necessary documentation and qualification records can be accessed digitally. The Workday offering is complemented by "HR Academy," a global training program directed at staff members of ElringKlinger's HR departments. The aim of the "HR Academy" is to reinforce the professional skills of HR staff and expand their expertise for successful Human Resources work.

As part of the EKDrive High Potential Program, employees with significant development potential for a leadership role are identified at three regional levels – APAC (Asia-Pacific), Americas (USA, Canada, Mexico, and Brazil), and EMEA (Europe, Middle East, and Africa) – and are given access to several training modules in support of their skills. The selected employees are assigned to individual projects within specific professional fields and to joint regional projects. In July 2024, a total of 25 participants successfully completed the 2022–2024 EKDrive Program. The application and selection process for the new 2024–2026 program period commenced on September 1, 2024.

The 2024 financial year saw the successful continuation of the Senior Management Development Program with a range of training and development initiatives. Various strategic topics were covered in the period from February to November 2024, such as simulation training for holistic corporate governance* and financial management, agile project management, and scrum and risk management. These training measures were also accompanied by job shadowing at the plants in Runkel, Germany, Toluca, Mexico, and Suzhou, China. The program team also engaged in fireside chats and exchanged thoughts with members of the Management Board on various Group strategies and topics. In addition, the team had the opportunity of working on a group project entitled "Save Resources: Waste Management@ElringKlinger" in the context of the "Sustainability" success factor of ElringKlinger's SHAPE30 strategy.

* Cf. glossary

ElringKlinger introduced a new career path for subject-matter experts in the 2024 reporting year. The initial rollout was implemented with a pilot group of three employees from one business unit in order to test in practice the full range of processes for this specialized career path. The pilot program is to be completed by June 30, 2025.

A system-based process, standardized globally, is in place to ensure that all indirect and general staff worldwide receive feedback on their personal performance and development once a year. Meetings with the direct line manager are arranged for the purpose of identifying and assessing the individual performance and targets. The ratio (proportion of performance reviews to average number of employees, not including vocational trainees and internal students) stood at 54.0% for the Group in 2024 (2023: 50.8%). As regards those subject to performance reviews, ElringKlinger's overall population encompasses all employees with the exception of those directly employed in production. The Group will be able to increase the current average ratio of 54% as soon as a standard process for this has been established. Against this background, the Group has defined a target ratio of 70% in relation to the total workforce to undergo staff appraisals by 2026. For the parent company ElringKlinger AG, the ratio for 2024 stood at 69.2% (2023: 61.6%).

Going forward, ElringKlinger is committed to reinforcing its successful standing in the labor market in an effort to recruit qualified and committed employees. This can only be accomplished with the help of a progressive corporate culture. Against this backdrop, ElringKlinger's corporate culture also came under scrutiny as part of the newly formulated SHAPE30 Group strategy. The values of Trust, Passion & Team Spirit, Integrity, Sustainability, Innovation, and Focus on strategic priorities form the basis for a contemporary mindset. Other strategic key areas include fine-tuning the organization of Human Resources and continuing to digitalize personnel-related processes and products.

EU Taxonomy

The European Commission signed off its action plan for financing sustainable growth in 2018. To channel capital flows toward sustainable investments, criteria for measuring the economic sustainability of an investment need to be defined. This action plan therefore includes the introduction of an EU classification system for sustainable activities, which the Commission accomplished by means of the Taxonomy Regulation (2020/852) in 2020. These criteria are intended to prevent so-called "greenwashing[4]."

With its non-financial disclosure obligations having been extended, ElringKlinger provides details on its implementation of the EU Taxonomy Regulation (Regulation (EU) 2020/852) – hereinafter "EU Taxonomy." The Group is among those required to prepare a non-financial statement in accordance with Sections 289b et seqq. and 315b et seqq. of the German Commercial Code (Handelsgesetzbuch – HGB), meaning that it is obligated pursuant to Article 1 of the EU Taxonomy Regulation to comply with the requirements resulting therefrom.

The EU Taxonomy Regulation (9) defines six climate and environmental objectives:

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

The EU has published screening criteria for sustainable economic activities with regard to all climate and environmental objectives[5]. In a first step, ElringKlinger's economic activities are to be analyzed to determine Taxonomy-eligibility, i.e., whether they fall within the scope of the EU Taxonomy. The second step is to assess whether the activities identified as Taxonomy-eligible are Taxonomy-aligned. Taxonomy-alignment is considered to apply if all defined technical screening criteria for the activity concerned are fulfilled and minimum safeguards are met.

These criteria define the conditions under which an activity is to be classified as being sustainable. ElringKlinger continuously analyzes its contribution to the European Union's environmental objectives as part of a project to implement the EU Taxonomy – with a joint team from Financial Reporting and Corporate Sustainability.

All economic activities were initially reviewed in workshops together with the representatives of the business units and the Quality department, their relevance with regard to EU Taxonomy eligibility was assessed, and they were allocated to individual activities. The results were then used to review the respective conditions for alignment and determine the key performance indicators (KPIs) (turnover (i.e., sales revenue), Capex, and Opex) for the activities identified as Taxonomy-eligible and Taxonomy-aligned. To this end, data was taken from Financial Accounting and validated centrally by Group Accounting. Double counting was avoided by clearly allocating each item of Taxonomy-eligible and Taxonomy-aligned turnover (i.e., sales revenue), capital expenditure, and operating expenditure to a single Taxonomy-eligible economic activity.

As a technology Group focused on developing, manufacturing, and selling products and components for the vehicle industry, ElringKlinger falls within the scope of the EU Taxonomy in its Original Equipment segment in respect of the activities in its E-Mobility, Lightweighting/Elastomer Technology, and Metal Forming & Assembly Technology business units. Within the E-Mobility business unit, the Group is engaged in the development and production of battery and fuel cell technologies. Based on the current status of the EU Taxonomy, products from the Metal Sealing Systems & Drivetrain Components,Metal Forming & Assembly Technology and Lightweighting/Elastomer Technology business units, which are also manufactured for vehicles powered exclusively by electric drive technologies, were classified as Taxonomy-eligible and Taxonomy-aligned within activity 3.18. Any further clarification provided by the European Commission may result in adjustments in interpretation in subsequent periods.

As part of the evaluation of the alignment criteria, an assessment is made as to whether the Taxonomy-eligible economic activities make a substantial contribution to a climate objective defined by the Taxonomy Regulation and whether no other climate or environmental objective is significantly harmed in the process and the minimum safeguards are met.

The technical screening criteria that determine whether an economic activity makes a substantial contribution to a climate objective and whether significant harm to one of the other climate and environmental objectives is avoided (DNSH = do no significant harm) were applied to all Taxonomy-eligible activities either on the basis of the technical characteristics of individual assets or on the basis of national laws. A detailed climate risk analysis was

[4] Greenwashing describes efforts to present oneself as particularly environmentally aware and environmentally friendly by donating money to environmental projects, PR measures, and similar.
[5] Delegated Regulations 2021/2139 (environmental objectives 1 to 2); 2022/1214 (gas and nuclear energy); 2023/2486 (environmental objectives 3 to 6); 2023/2485 (amendment with regard to environmental objectives 1 to 2)

also conducted in connection with this review pursuant to Appendix A. The results from the individual evaluations of DNSH criteria are presented in the following tables.

Specific elements of evidence have been applied to verify and document whether a substantial contribution is made to achieving one or more of the climate and environmental objectives of the article, whether there is no harm to one or more of the climate and environmental objectives, and whether the technical screening criteria have been met. The substances listed in Appendix C with regard to the DNSH criterion on environmental pollution were assessed for the Taxonomy-eligible activities. As regards the Taxonomy-eligible activity 3.4 Manufacture of batteries, and the activity 3.18, an Essential Use Assessment in accordance with the recommendations of the European Chemical Industry Council (Cefic) was conducted, in addition to a review of compliance with the limits according to the REACH Regulation. In ElringKlinger's view, the Essential Use criterion of Appendix C has been fulfilled, due also to the fact that use of such substances only occurs in very small quantities.

In addition, compliance with minimum safeguards in accordance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO Core Labor Standards, and the International Bill of Human Rights was reviewed and documented at the level of Taxonomy-eligible activities with the aid of various corporate documents, policies, and voluntary commitments (e.g., code of conduct, compliance policies, supplier code of conduct). ElringKlinger communicates the minimum safeguards both within its own business units and vis-à-vis its business partners, including suppliers. In this context, the Group uses publicly accessible documents such as the supplier code of conduct. In addition, risk analyses as well as preventive and control measures are based on these requirements. The existing "Share with us" whistleblower system can be used for the purpose of submitting reports on potential violations relating to all topics. In the financial year under review, the assessment of the minimum safeguards with regard to the issue of human rights in the supply chain was also underpinned by a software-based structured risk analysis. In summary, the assessment did not identify any violations of the criteria set out in Art. 18 of the EU Taxonomy Regulation and in the report on minimum safeguards of the Platform on Sustainable Finance.

The Group's battery and fuel cell business is combined in the E-Mobility division. In the field of battery technology, ElringKlinger develops and manufactures battery components and systems, among other things, tailored to various requirements of automotive industry customers. These key technologies help to enable and promote emission-free road transport. The products are used in fully (100%) electrified passenger cars as well as in infrastructure applications, e.g., for fixed or mobile charging stations, energy storage systems, or also as grid stabilization technology. Based on ElringKlinger's analyses, the Group has concluded that the development and production of battery technology can be allocated to activity 3.4 (manufacture of batteries) in pursuit of the climate objective of "climate change mitigation" and is thus to be regarded as Taxonomy-eligible. The activity also meets the criteria for a substantial contribution, the minimum safeguards, and the DNSH criteria; it is therefore also Taxonomy-aligned.

The Group pools all its fuel cell technology activities in the company EKPO Fuel Cell Technologies (EKPO), an entity operated jointly by ElringKlinger and OPmobility. Its product portfolio includes fuel cell systems that are used in various means of transport and contribute toward carbon-neutral mobility. The analyses undertaken within the Group have shown that the development and production of fuel cell systems can be directly allocated to activity 3.2 (manufacture of equipment for the production and use of hydrogen) under the EU Taxonomy; this activity is thus to be regarded as Taxonomy-eligible. Exceptions to this are individual components that may not be allocated to activity 3.2. These relate to bipolar plates, which are taken into account within activity 3.18 of the EU Taxonomy; this matter is discussed in more detail in the following section. Activity 3.2 also meets the criteria for a substantial contribution, the minimum safeguards, and the DNSH criteria; it is therefore also Taxonomy-aligned.

As of the 2023 reporting year, the EU Commission has specified an additional climate target within the EU Taxonomy that is of relevance to ElringKlinger. As part of activity 3.18 "Manufacture of automotive and mobility components," the Group can account for various business units that manufacture components. In this context, the definition covers components from the business units Lightweighting/Elastomer Technology, Metal Forming & Assembly Technology and Metal Sealing Systems & Drivetrain components. Thanks to lighter vehicle components, relevant energy savings can be achieved during the operation of a vehicle. Shielding technology components are also taken into account, as these prevent electromagnetic radiation from reaching areas in which it poses a risk of damage. In the context of electric drive units, ElringKlinger supplies key components responsible for transmitting the torque from the electric motor to the transmission and for driving the axles, thus facilitating CO_2-neutral mobility.

Furthermore, individual components relating to fuel cells are now also taken into account, in particular bipolar plates, which are sold separately and are essential explicitly to the positive environmental performance of the fuel cell stack, as they are a key component with regard to functionality. As part of its interpretation of the Taxonomy, ElringKlinger only considers components that are installed in purely electrically powered vehicles. The fact that the use of such components in both combustion and hybrid vehicles has a positive effect on their environmental footprint (e.g., fuel consumption) is not taken into consideration. However, the Group pursues and promotes such usage in the context of its sustainability and corporate strategy.

The requirements relating to a substantial contribution set out in activity 3.18, the minimum safeguards, and the DNSH criteria have been met, as a result of which the activity is classified as Taxonomy-aligned.

As well as considering Taxonomy-eligible and Taxonomy-aligned Group turnover (i.e., sales revenue), as part of the EU Taxonomy, investments in intangible assets, property, plant, and equipment, and right-of-use assets in accordance with IAS 38, IAS 16, and IFRS* 16 are also taken into account when determining the capital expenditure (Capex) KPI.

The Capex items identified as being Taxonomy-eligible relate either to the Taxonomy-eligible activities in the business units described above or to the following activities considered Taxonomy-eligible: 6.5 (transport by motorbikes, passenger cars, and (light) commercial vehicles) for company vehicles of employees, 7.2 (renovation of existing buildings), 7.6 (installation, maintenance and repair of renewable energy technologies), or 7.7 (acquisition and ownership of buildings) for production and administration buildings.

The business units made the following material Taxonomy-eligible and Taxonomy-aligned investments in the 2024 financial year:

- Investment in production machinery and buildings and in related technical equipment (allocated to activities 3.2, 3.4, 3.18)
- Capitalized development costs for the business unit's products (allocated to activities 3.2, 3.4, 3.18)

The following Taxonomy-eligible and, in part, Taxonomy-aligned investments were made outside the business units:

- Leasing company cars (allocated to activity 6.5)
- Renovation of existing buildings (allocated to activity 7.2)
- Investment in a heat pump (allocated to activity 7.6)
- Renting buildings not part of the E-Mobility business unit (allocated to 7.7)

The KPI of Taxonomy-eligible operational expenditure (Opex) was calculated based on expenses for non-capitalized research and development costs, short-term and low-value leases, building renovation work, and maintenance and repair. The individual components were analyzed and, if applicable, allocated directly to the activities listed that are Taxonomy-eligible and Taxonomy-aligned. To determine the maintenance and repair costs, allocation was performed, in part, on the basis of revenue.

The denominator for the Taxonomy KPI "turnover" (i.e., sales revenue) comprises consolidated sales revenue within the meaning of IAS 1 82(a) (consolidated sales revenue). The denominator for the Taxonomy KPIs "Capex" and "Opex" comprises additions to and/or investments in assets in accordance with IAS 16, IAS 38, and IFRS 16 (Capex) as well as expenses for non-capitalized research and development costs, short-term and low-value leases, building renovation work, and maintenance and repair (Opex). Consolidated sales revenue (2024: EUR 1,803 million) as well as capital expenditure (2024: EUR 177 million) can be reconciled with the consolidated financial statements. Further information on the KPIs can be found in the notes to the consolidated financial statements of the 2024 annual report under sales revenue (1), intangible assets (12), and property, plant, and equipment (13).

The KPIs for the financial year are as follows:

* Cf. glossary

EU-Taxonomy 2024

Turnover Financial year 01.01.–31.12.2024
EUR k

Economic Activities	2024: Code	2024: Turnover	2024: Proportion of Turnover, 2024	Substantial contribution criteria: Climate Change Mitigation	Substantial contribution criteria: Climate Change Adaptation	Substantial contribution criteria: Water	Substantial contribution criteria: Pollution	Substantial contribution criteria: Circular Economy	Substantial contribution criteria: Biodiversity	DNSH criteria (Do No Significant Harm): Climate Change Mitigation	DNSH criteria (Do No Significant Harm): Climate Change Adaptation	DNSH criteria (Do No Significant Harm): Water	DNSH criteria (Do No Significant Harm): Pollution	DNSH criteria (Do No Significant Harm): Circular Economy	DNSH criteria (Do No Significant Harm): Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) Turnover, 2023	Category enabling activity	Category transitional activity
		EUR k	**%**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2.	17,423	0.97%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.55%	E	
Manufacture of batteries	CCM 3.4.	66,506	3.69%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.74%	E	
Manufacture of automotive and mobility components	CCM 3.18.	60,242	3.34%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**144,172**	**8.00%**	**8.00%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**1.29%**		
Of which enabling		**144,172**	**8.00%**	**8.00%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**1.29%**	**E**	
Of which transitional		**0**	**0.00%**	**0.00%**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.00%**		**T**

Tables continued overleaf

Turnover Financial year 01.01.–31.12.2024
EUR k

	2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic Activities	Code	Turnover	Proportion of Turnover, 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) Turnover, 2023	Category enabling activity	Category transitional activity
		EUR k	**%**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (b)	**EL; N/EL (b)**	**EL; N/EL (b)**	**EL; N/EL (b)**	**EL; N/EL (b)**	**EL; N/EL (b)**										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0.00%														6.11%		
Total (A.1 + A.2)		144,172	8.00%														7.40%		
B. Taxonomy-non-eligible activities		1,658,964	92.00%																
Turnover of Taxonomy-non-eligible activities		1,658,964	92.00%																
Total (A + B)		**1,803,136**	**100.00%**																

a) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

b) EL – Taxonomy-eligible activity for the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

Capex Financial year 01.01.–31.12.2024
EUR k

Economic Activities	2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
	Code	Capex	Proportion of Capex, 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) Capex, 2023	Category enabling activity	Category transitional activity
		EUR k	**%**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2.	23,124	13.06%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	18.79%	E	
Manufacture of batteries	CCM 3.4.	85,044	48.04%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	12.77%	E	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	482	0.27%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y		Y	Y		Y	0.15%		T
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	309	0.17%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.98%	E	
Manufacture of automotive and mobility components	CCM 3.18.	1,783	1.01%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%	E	
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**110,743**	**62.56%**	**62.56%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**32.69%**		
Of which enabling		**110,261**	**62.29%**	**62.29%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**32.54%**	**E**	
Of which transitional		**482**	**0.27%**	**0.27%**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.15%**		**T**

Tables continued overleaf

Capex Financial year 01.01.–31.12.2024
EUR k

	2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic Activities	Code	Capex	Proportion of Capex, 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) Capex, 2023	Category enabling activity	Category transitional activity
		EUR k	%	Y; N; N/EL (a)	Y; N; N/EL (a)	Y; N; N/EL (a)	Y; N; N/EL (a)	Y; N; N/EL (a)	Y; N; N/EL (a)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (b)	**EL; N/EL (b)**	**EL; N/EL (b)**	**EL; N/EL (b)**	**EL; N/EL (b)**	**EL; N/EL (b)**										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	3,080	1.74%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								2.57%		
Renovation of existing buildings	CCM 7.2.	2,484	1.40%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								4.67%		
Acquisition and ownership of buildings	CCM 7.7.	11,395	6.44%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								1.19%		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**16,959**	**9.58%**	**9.58%**	**0%**	**0%**	**0%**	**0%**	**0%**								**25.88%**		
Total (A.1 + A.2)		**127,702**	**72.14%**	**72.14%**	**0%**	**0%**	**0%**	**0%**	**0%**								**58.57%**		
B. Taxonomy-non-eligible activities		**49,309**	**27.86%**																
Capex of Taxonomy-non-eligible activities		43,887	24.79%																
Total (A + B)		**177,011**	**100.00%**																

a) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

b) EL – Taxonomy-eligible activity for the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

Opex Financial year 01.01.–31.12.2024
EUR k

	2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic Activities	Code	Opex	Proportion of Opex, 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) Opex, 2023	Category enabling activity	Category transitional activity
		EUR k	**%**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2.	2,396	2.09%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4.65%	E	
Manufacture of batteries	CCM 3.4.	17,974	15.66%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	14.21%	E	
Manufacture of automotive and mobility components	CCM 3.18.	14,177	12.35%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%	E	
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**34,546**	**30.09%**	**30.09%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**18.86%**		
Of which enabling		**34,546**	**30.09%**	**30.09%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**18.86%**	**E**	
Of which transitional		**0**	**0.00%**	**0.00%**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.00%**		**T**

Tables continued overleaf

Opex Financial year 01.01.–31.12.2024
EUR k

	2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic Activities	Code	Opex	Proportion of Opex, 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) Opex, 2023	Category enabling activity	Category transitional activity
		EUR k	**%**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y; N; N/EL (a)**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (b)	**EL; N/EL (b)**	**EL; N/EL (b)**	**EL; N/EL (b)**	**EL; N/EL (b)**	**EL; N/EL (b)**										
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0**	**0.00%**														**6.30%**		
Total (A.1 + A.2)		**34,546**	**30.09%**														**25.15%**		
B. Taxonomy-non-eligible activities		**80,248**	**69.91%**																
Opex of Taxonomy-non-eligible activities		80,248	69.91%																
Total (A + B)		**114,794**	**100.00%**																

a) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

b) EL – Taxonomy-eligible activity for the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

Reporting of the scope of taxonomy eligibility and alignment in accordance with environmental objective

	Proportion of Turnover/total Turnover		Proportion of Capex/total Capex		Proportion of Opex/total Opex	
	Aligned per objective	Eligible per objective	Aligned per objective	Eligible per objective	Aligned per objective	Eligible per objective
CCM	8.00%	8.00%	62.56%	72.14%	30.09%	30.09%
CCA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WTR	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PPC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BIO	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CCM Climate change mitigation
CCA Climate change adaption
WTR Water and marine resources
CE Circular economy
PPC Pollution prevention and control
BIO Biodiversity and ecosystems

Dettingen/Erms, March 24, 2025

The Management Board

Thomas Jessulat
CEO

Reiner Drews

Dirk Willers

Assurance report of the Independent German Public Auditor on a limited assurance engagement in relation to the combined separate non-financial report for the financial year from January 1 to December 31, 2024

To ElringKlinger AG, Dettingen an der Erms/Germany

Assurance Conclusion

We have conducted a limited assurance engagement on the combined separate non-financial report of ElringKlinger AG, Dettingen an der Erms/Germany, for the financial year from January 1 to December 31, 2024 for complying with Sections 289b to 289e German Commercial Code (HGB) as well as 315b and 315c in conjunction with 289c to 289e HGB including the disclosures for complying with the requirements under Article 8 of Regulation (EU) 2020/852 included in this combined separate non-financial report (hereafter referred to as "the Non-Financial Reporting").

Not subject to our assurance engagement are references to external sources of documentation and websites, including their contents, as well as disclosures relating to prior years included in the Non-Financial Reporting.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Non-Financial Reporting for the financial year from January 1 to December 31, 2024 is not prepared, in all material respects, in accordance with Sections 289b to 289e HGB as well as 315b and 315c in conjunction with 289c to 289e HGB and the requirements of Article 8 of Regulation (EU) 2020/852, and the specifying criteria presented by the executive directors of the Company.

We do not express an assurance conclusion on references to external sources of documentation and websites, including their contents, as well as disclosures relating to prior years included in the Non-Financial Reporting.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements Other Than Audits or Reviews of Historical Financial In-formation", issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in section "German Public Auditor's Responsibilities for the Assurance Engagement on the Non-Financial Reporting".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements of the IDW Quality Management Standards. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the Non-Financial Reporting

The executive directors are responsible for the preparation of the Non-Financial Reporting in accordance with the applicable German legal and European requirements as well as with the specifying criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control as they have considered necessary to enable the preparation of a non-financial reporting in accordance with these requirements that is free from material misstatement, whether due to fraud (i. e., fraudulent reporting in the Non-Financial Reporting) or error.

This responsibility of the executive directors includes selecting and applying appropriate reporting policies for preparing the Non-Financial Reporting as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Non-Financial Reporting.

Inherent Limitations in Preparing the Non-Financial Reporting

The applicable German legal and European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. The executive directors have disclosed interpretations of such wording and terms in the Non-Financial Reporting. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the sustainability matters based on these interpretations is uncertain.

German Public Auditor's Responsibilities for the Assurance Engagement on the Non-Financial Reporting

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Non-Financial Reporting has not been prepared, in all material respects, in accordance with the applicable German legal and European requirements and the specifying criteria presented by the executive directors of the Company and to issue an assurance report that includes our assurance conclusion on the Non-Financial Reporting.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also

- obtain an understanding of the process used to prepare the Non-Financial Reporting.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the non-financial information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In performing our limited assurance engagement, we

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Non-Financial Reporting.
- inquired of the executive directors and relevant employees involved in the preparation of the Non-Financial Reporting about the preparation process and about the internal controls related to this process.
- evaluated the reporting policies used by the executive directors to prepare the Non-Financial Reporting.
- evaluated the reasonableness of the estimates and related information provided by the executive directors.
- performed analytical procedures or tests of details and made inquiries in relation to selected information in the Non-Financial Reporting.
- considered the presentation of the information in the Non-Financial Reporting.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Non-Financial Reporting.

Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" dated January 1, 2024 of the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties as a basis for making (financial) decisions.

Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

Stuttgart/Germany, March 24, 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Sebastian Dingel	Verena Winkler
Partner	Manager