ank=20250711:20250711117039

# Årsredovisning
# Sto Scandinavia AB

Org.nr 556290-8318

Räkenskapsår 2024-01-01 - 2024-12-31

**Fastställelseintyg**
Undertecknad styrelseledamot intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 27/3 2025.
Årsstämman beslöt att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Linköping den 27/3 2025

Gino Gailliaert

ank=20250710;20250711117040

# Årsredovisning

# Sto Scandinavia AB

Org.nr 556290-8318

Räkenskapsår 2024-01-01 - 2024-12-31

ank=20250711-20250711117041

Sto Scandinavia AB
556290-8318

# Årsredovisning

för räkenskapsåret 2024-01-01 - 2024-12-31

Styrelsen och verkställande direktören för Sto Scandinavia AB avger härmed följande årsredovisning.

| Innehåll | Sida |
|---|---|
| Förvaltningsberättelse | 2 |
| Resultaträkning | 4 |
| Balansräkning | 5 |
| Rapport över förändringar i eget kapital | 7 |
| Kassaflödesanalys | 8 |
| Tilläggsupplysningar | 9 |
| Redovisningsprinciper m.m. | 9 |
| Noter | 11 |
| Underskrifter | 18 |

Styrelsens säte: Linköping
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inte annat anges, i tusentals kronor (tkr).

ank=20250710-20250711117042



# Förvaltningsberättelse

**Information om verksamheten**
Sto Scandinavia AB bedriver verksamhet i de nordiska länderna och är ett helägt dotterbolag till Sto SE & Co KGaA som är noterat på Frankfurtbörsen. I Danmark och Finland bedrivs verksamheterna som helägda dotterbolag till Sto Scandinavia AB.
Verksamheten omfattar produktion, försäljning och marknadsföring av produkter, system samt lösningar för fasader, betong och interiör med målsättning att vara ledande i Norden inom hållbart byggande till nytta för människor, samhälle och miljö.
I Linköping finns huvudkontor och produktionsanläggning. Distributionen till kund sker via egna StoCenter som finns etablerade på de flesta större orterna i Norden. Vid StoCenters finns lager- och försäljningslokaler med kompletta sortiment av produkter, verktyg och hjälpmedel. Där erbjuds även utbildning för konsulter och hantverkare. Verksamheten är inriktad mot fem produktområden:

Fasad
Fasadsystem för nyproduktion och renovering avseende såväl isolerade som ventilerade lösningar. Produktfloran består av alla komponenter för fasadsystemet med tillhörande avskydd avseende färg, puts, natursten, glas, dekorprofiler samt produkter för fasadrengöring och färgborttagning.

Interiör
Produktområdet innefattar färgval, puts, dekorativa ytbeläggningar på såväl vägg som golv, lack och lasyr samt effektiva akustiksystem.

Betong
System för underhåll av alla typer av betongkonstruktioner exempelvis broar, silos, parkeringshus, reningsbassänger, vattentorn och balkonger. Sto Scandinavia AB har system såväl för renovering som förstärkning av betongkonstruktioner.

Golv
Golvbeläggningssystem lämpade för allmän industri, kontor/butik, skolor och elektronik-/dataindustri.

Akustik
Lösningar för alltifrån hemmiljö, kontors- och konferenslokaler till konserthallar och simhallar.

Sto Scandinavia AB erbjuder kompletta produktsystem samt tillhandahåller maskiner som underlättar och effektiviserar hantering och applicering. Tjänsterna omfattar rådgivning avseende val av material, system, maskiner och verktyg samt utbildning i användningsteknik.

**Väsentliga händelser under räkenskapsåret**
Sto Scandinavia har under året fortsatt att fokusera på att arbeta vidare med sina sex strategiska mål; Specialist, Digitalisering, Kompetensutveckling, Projektspecialisering, Logistik och Hållbarhet.

Året har präglats kraftigt av situationen på byggmarknaden inom landet, där framförallt nyproduktionen av bostäder stått mer eller mindre stilla. Nedgången på den inhemska marknaden jämfört med föregående år summeras till minus 21%.

Företaget har under året bytt verkställande direktör. Ny tillförordnad VD är Gino Gailliaert.

**Hållbarhetsrapportering**
I enlighet med ÅRL 6 Kap 11§ har bolaget upprättat den lagstadgade hållbarhetsrapporten som en från årsredovisningen avskild rapport. Hållbarhetsrapporten går att hitta på https://www.sto.se/s/hallbarhet .

**Förväntad framtida utveckling samt risker och osäkerhetsfaktorer**
Företagets långsiktiga inriktning är fortsatt att utveckla hållbart byggande genom våra erbjudanden på marknaden – allt ur ett långsiktigt miljömässigt perspektiv. Företagets bedömning är att antalet uppstarter av projekt inom nyproduktion kommer att öka under 2025, men att det främst under åren därbortom tar fart på riktigt.
Företaget har stark position inom sina områden med de krav och möjligheter som marknaden driver avseende hållbarhet och framtida miljöpåverkan.

Under den kommande perioden fortsätter företagets intensifiering i sin satsning avseende renovering, ombyggnad och tillbyggnad utifrån tydliga koncept och målgrupper samt stärka sin erbjudanden avseende digitala lösningar och support.

**Väsentlig icke-finansiell information**
Sto Scandinavia AB är certifierade enligt ISO 9001, ISO 14001 och ISO 45001.

ank=20250710-20250711117043

Sto Scandinavia AB
556290-8318

**Personalinformation**
Det är människorna på Sto Scandinavia AB som gör skillnad. Våra medarbetare engagerar sig varje dag för att säkerställa att vi behåller vår framgångsrika position i branschen. Tack vare deras kunskaper, erfarenheter, passion och nyfikenhet bidrar våra medarbetare till en stor del av vår framgång.
Vi arbetar aktivt med att utveckla våra medarbetare via vårt Sto Academy och avsätter årligen både tid, resurser för att utveckla medarbetare och vår organisation. Frågor som mångfald, likabehandling och jämställdhet är viktiga för oss och vi bedriver ett aktivt arbetsmiljö- och friskvårdsarbete. Vi är medlemmar i Almega och har kollektivavtal med Unionen, Akademikerförbunden och Handels. Vid utgången av år 2024 arbetade 122 tillsvidareanställda varav 100 tjänstemän, av de tillsvidareanställda bestod 22% av kvinnor. Inom bolaget är den genomsnittliga åldern 45 år. Under året uppgick personalomsättningen till 13%.

**Miljöpåverkan**
Genom produktionen i Linköping bedrivs anmälningspliktig C-verksamhet. Sto Scandinavia AB svarar för egen kontroll under överinseende av Linköpings kommun och vår bedömning är att verksamheten bedrivs inom ramarna och efter de regler som föreskrivits i tillståndet.

**Ägarförhållanden**
Bolaget är ett helägt dotterbolag till Sto SE & Co KGaA, DE142834082, med säte i Weizen, Tyskland.

| **Flerårsöversikt*** | **2024** | **2023** | **2022** | **2021** |
|---|---|---|---|---|
| Nettoomsättning (tkr) | 396 627 | 488 531 | 493 075 | 449 144 |
| Resultat efter finansiella poster (tkr) | 18 738 | 59 607 | 39 995 | 26 861 |
| Balansomslutning (tkr) | 274 191 | 338 004 | 332 854 | 379 363 |
| Soliditet (%) | 50,36% | 50,50% | 39,78% | 26,26% |
| Medelantal anställda | 128 | 136 | 139 | 136 |

**Nyckeltalsdefinitioner**
*Soliditet*
Justerat eget kapital i procent av balansomslutning

**Förslag till resultatdisposition (kr)**
Styrelsen föreslår att till förfogande stående medel

| | |
|---|---|
| Balanserat resultat | 40 532 847 |
| Årets resultat | 15 384 045 |
| | **55 916 892** |
| disponeras så att | |
| till aktieägare utdelas (640 kronor per aktie) | 15 000 000 |
| i ny räkning överföres | 40 916 892 |
| | **55 916 892** |

Styrelsen anser att den föreslagna vinstutdelningen är försvarlig med hänsyn till de krav som verksamhetens art, omfattning och risker ställer på storleken av det egna kapitalet samt bolagets konsolideringsbehov, likviditet och ställning i övrigt.

ank=20250710-20250711117044

Sto Scandinavia AB
556290-8318

**Resultaträkning**

| | Not | 2024-01-01 -2024-12-31 | 2023-01-01 -2023-12-31 |
|---|---|---|---|
| Nettoomsättning | 1,6 | 396 627 | 488 531 |
| Förändring av lager av varor under tillverkning, färdiga varor och pågående arbete för annans räkning | | 541 | -659 |
| Övriga rörelseintäkter | 6 | 30 653 | 44 201 |
| | | **427 821** | **532 073** |
| *Rörelsens kostnader* | | | |
| Råvaror och förnödenheter | | -57 570 | -58 917 |
| Handelsvaror | 6 | -115 606 | -166 564 |
| Övriga externa kostnader | 2,3,4 | -124 419 | -124 317 |
| Personalkostnader | 5 | -105 744 | -114 662 |
| Avskrivningar och nedskrivningar (samt återföring därav) av materiella och immateriella anläggningstillgångar | | -7 712 | -7 508 |
| Övriga rörelsekostnader | | -4 503 | -8 980 |
| | | **-415 555** | **-480 949** |
| **Rörelseresultat** | | **12 266** | **51 124** |
| *Resultat från finansiella poster* | | | |
| Resultat från andelar i koncernföretag | 7 | 3 841 | 6 236 |
| Övriga ränteintäkter och liknande resultatposter | | 2 641 | 2 299 |
| Räntekostnader och liknande resultatposter | | -10 | -52 |
| | | **6 472** | **8 483** |
| **Resultat efter finansiella poster** | | **18 738** | **59 607** |
| **Resultat före skatt** | | **18 738** | **59 607** |
| Skatt på årets resultat | 8 | -3 354 | -11 331 |
| **Årets resultat** | | **15 384** | **48 275** |

ank=20250710-20250711117045



**Balansräkning**

| | Not | 2024-12-31 | 2023-12-31 |
|---|---|---|---|
| **TILLGÅNGAR** | | | |
| ***Anläggningstillgångar*** | | | |
| *Immateriella anläggningstillgångar* | | | |
| Balanserade utgifter för forsknings- och utvecklingsarbeten och liknande arbeten | 9 | 0 | 67 |
| | | **0** | **67** |
| *Materiella anläggningstillgångar* | | | |
| Byggnader och mark | 10 | 31 285 | 32 528 |
| Maskiner och andra tekniska anläggningar | 11 | 9 305 | 10 463 |
| Inventarier, verktyg och installationer | 12 | 10 208 | 10 770 |
| Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar | 13 | 3 598 | 2 499 |
| | | **54 396** | **56 261** |
| *Finansiella anläggningstillgångar* | | | |
| Andelar i koncernföretag | 14, 15 | 16 708 | 16 708 |
| Uppskjuten skattefordran | 16 | 4 204 | 1 483 |
| Andra långfristiga fordringar | 17 | 1 038 | 913 |
| | | **21 950** | **19 104** |
| **Summa anläggningstillgångar** | | **76 346** | **75 432** |
| ***Omsättningstillgångar*** | | | |
| *Varulager m.m.* | | | |
| Råvaror och förnödenheter | | 5 897 | 6 368 |
| Varor under tillverkning | | 589 | 399 |
| Färdiga varor och handelsvaror | | 33 699 | 35 552 |
| Förskott till leverantörer | | 50 | 13 |
| | | **40 234** | **42 333** |
| *Kortfristiga fordringar* | | | |
| *Kundfordringar* | | 17 798 | 23 057 |
| Fordringar hos koncernföretag | | 27 745 | 10 835 |
| Övriga fordringar | 18 | 20 029 | 36 176 |
| Förutbetalda kostnader och upplupna intäkter | 19 | 4 789 | 5 714 |
| | | **70 361** | **75 782** |
| *Kassa och bank* | | 87 249 | 144 457 |
| **Summa omsättningstillgångar** | | **197 845** | **262 572** |
| **SUMMA TILLGÅNGAR** | | **274 191** | **338 004** |

ank=20250711170460-20250711170460

Sto Scandinavia AB
556290-8318

**Balansräkning**

| | Not | 2024-12-31 | 2023-12-31 |
|---|---|---|---|
| **EGET KAPITAL OCH SKULDER** | | | |
| ***Eget kapital*** | 20 | | |
| *Bundet eget kapital* | | | |
| Aktiekapital | | 75 000 | 75 000 |
| Reservfond | | 7 160 | 7 160 |
| | | **82 160** | **82 160** |
| *Fritt eget kapital* | | | |
| Balanserat resultat | | 40 533 | 40 257 |
| Årets resultat | | 15 384 | 48 276 |
| | | **55 917** | **88 533** |
| **Summa eget kapital** | | **138 077** | **170 693** |
| | | | |
| ***Avsättningar*** | 21 | | |
| Avsättningar för pensioner och liknande förpliktelser | | 1 038 | 913 |
| Uppskjuten skatteskuld | | 1 661 | 1 547 |
| Övriga avsättningar | | 87 832 | 111 805 |
| | | **90 531** | **114 265** |
| ***Kortfristiga skulder*** | | | |
| Leverantörsskulder | | 14 227 | 11 801 |
| Skulder till koncernföretag | | 2 226 | 9 178 |
| Skulder till intresseföretag | | 39 | 23 |
| Skulder för terminskontrakt | 22 | 0 | 5 971 |
| Övriga skulder | | 3 553 | 3 837 |
| Aktuell skatteskuld | | 5 070 | 2 757 |
| Upplupna kostnader och förutbetalda intäkter | 23 | 20 468 | 19 480 |
| | | **45 583** | **53 047** |
| | | | |
| **SUMMA EGET KAPITAL OCH SKULDER** | | **274 191** | **338 004** |

ank=20250710-20250711117047

Sto Scandinavia AB
556290-8318

**Rapport över förändringar i eget kapital**

| | Aktie-kapital | Reservfond | Balanserat resultat | Årets resultat | Totalt |
|---|---|---|---|---|---|
| Ingående balans 2023-01-01 | 75 000 | 7 160 | 17 456 | 32 801 | **132 417** |
| Omföring resultat föregående år | 0 | 0 | 32 801 | -32 801 | **0** |
| Lämnad utdelning | 0 | 0 | -10 000 | 0 | **-10 000** |
| Årets resultat | 0 | 0 | 0 | 48 276 | **48 276** |
| **Utgående balans 2023-12-31** | **75 000** | **7 160** | **40 257** | **48 276** | **170 693** |
| Omföring resultat föregående år | 0 | 0 | 48 276 | -48 276 | **0** |
| Lämnad utdelning | 0 | 0 | -48 000 | | **-48 000** |
| Årets resultat | 0 | 0 | | 15 384 | **15 384** |
| **Utgående balans 2024-12-31** | **75 000** | **7 160** | **40 533** | **15 384** | **138 077** |

ank=20250710-20250711117048



**Kassaflödesanalys**

| | 2024-01-01 -2024-12-31 | 2023-01-01 -2023-12-31 |
|---|---|---|
| **Den löpande verksamheten** | | |
| Rörelseresultat | 12 266 | 51 124 |
| Justeringar för poster som inte ingår i kassaflödet m.m. | | |
| Avskrivningar och nedskrivningar | 7 712 | 7 509 |
| Vinst vid försäljning av anläggningstillgångar | 10 | 29 |
| Orealiserade kursdifferenser | -5 971 | 5 971 |
| Övriga avsättningar | -23 973 | -19 392 |
| | **-9 956** | **45 241** |
| Erhållen ränta | 2 641 | 2 299 |
| Erlagd ränta | -10 | -52 |
| Betald inkomstskatt | -3 648 | 0 |
| **Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital** | **-10 973** | **47 488** |
| *Förändringar i rörelsekapital* | | |
| Förändring av varulager | 2 099 | 4 287 |
| Förändring av rörelsefordringar | 9 261 | 16 453 |
| Förändring av rörelseskulder | -3 680 | -22 580 |
| **Kassaflöde från den löpande verksamheten** | **-3 293** | **45 648** |
| *Investeringsverksamheten* | | |
| Förvärv av materiella anläggningstillgångar | -5 790 | -4 492 |
| Investeringar i finansiella tillgångar | -125 | |
| **Kassaflöde från investeringsverksamheten** | **-5 915** | **-4 492** |
| *Finansieringsverksamheten* | | |
| Utbetald utdelning | -48 000 | -10 000 |
| **Kassaflöde från finansieringsverksamheten** | **-48 000** | **-10 000** |
| **Årets kassaflöde** | **-57 208** | **31 156** |
| **Likvida medel vid årets början** | **144 457** | **113 301** |
| **Likvida medel vid årets slut** | **87 249** | **144 457** |

ank=20250710-20250711117049



# Tilläggsupplysningar

## Redovisningsprinciper m.m.

**Allmänna redovisningsprinciper**
Årsredovisningen har upprättats enligt årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3):

**Bedömningar och uppskattningar**

Följande av styrelsens bedömningar har en betydande effekt på redovisade belopp i årsredovisningen:
Nedskrivning av lager sker enligt en för koncernen fastställd inkuranstrappa, baserad på beräknad framtida lageromsättning utifrån en historisk analys. Denna nedskrivning kompletteras med en bedömning av enskilda artiklar.

Avsättning för garantiåtaganden grundas på en bedömning av framtida reklamationskostnader.

**Koncerntillhörighet**
Närmast överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är Sto SE & Co KGaA (DE142834082) med säte i Weizen, Tyskland. Sto SE & Co KGaA är också moderföretag för hela koncernen.

**Koncernredovisning**
Företaget är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap. 2 §.

Det utländska moderföretagets årsredovisning finns att tillgå hos:

Sto SE & Co KGaA
Ehrenbachstrasse 1
D-79780 Stühlingen
Tyskland
Telefon: +49 (0) 77 44 570

**Intäktsredovisning**
*Försäljning av varor*
Intäkten redovisas till verkligt värde av vad företaget fått eller kommer att få. Det innebär att företaget redovisar inkomsten till nominellt värde (fakturabelopp) om företaget får ersättning i likvida medel direkt vid leveransen. Avdrag görs för lämnade rabatter.

Vid försäljning av varor redovisas normalt inkomsten som intäkt när de väsentliga förmåner och risker som är förknippade med ägandet av varan har överförts från företaget till köparen.

*Ränta, royalty och utdelning*
Ersättning i form av ränta, royalty eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

**Finansiella instrument**
Finansiella instrument värderas utifrån anskaffningsvärdet i enlighet med kapitel 11 BFNAR 2012:1. Företaget har under räkenskapsåret tillämpat valutahedging (EUR/DKK/NOK), för att hantera sin valutarisk.

**Redovisning av leasingavtal**
Företaget redovisar samtliga leasingavtal som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.
Se vidare not 3.

ank=20250710-20250711117050



**Ersättning till anställda**
Ersättning till anställda avser alla typer av ersättningar som företaget lämnar till de anställda. Företagets ersättningar innefattar bland annat löner, betald semester, betald frånvaro, bonus och ersättningar efter avslutad anställning (pensioner). Redovisningen sker i takt med intjänandet. Ersättningen till anställda efter avslutad anställning avser avgiftsbestämda eller förmånsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser, vare sig legala eller informella, att betala något ytterligare, utöver dessa avgifter. Övriga planer klassificeras som förmånsbestämda pensionsplaner. Företaget har inga långfristiga ersättningar till anställda.

**Anläggningstillgångar**
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och eventuella nedskrivningar.

Materiella anläggningstillgångar har delats upp på betydande komponenter när komponenterna har väsentligt olika nyttjandeperioder.

Avskrivningsbart belopp utgörs av anskaffningsvärdet minskat med ett beräknat restvärde om detta är väsentligt. Avskrivning sker linjärt över den förväntade nyttjandeperioden.

Följande avskrivningstider tillämpas:

| | |
|---|---|
| *Immateriella anläggningstillgångar* | |
| Balanserade utgifter för forsknings- och utvecklingsarbeten och liknande arbeten | 5 år |
| *Materiella anläggningstillgångar* | |
| Byggnader | 15-50 år |
| Markanläggningar | 20 år |
| Maskiner och andra tekniska anläggningar | 10 år |
| Inventarier, verktyg och installationer | 3-10 år |

**Varulager**
Varulagret har värderats till det lägsta av dess anskaffningsvärde, enligt en vägd genomsnittsberäkning, och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärdet avses varornas beräknade försäljningspris minskat med försäljningskostnader.
I egentillverkade halv- och helfabrikat består anskaffningsvärdet av direkta tillverkningskostnader och skälig andel av indirekta kostnader. Vid värdering har hänsyn tagits till normalt kapacitetsutnyttjande.
Den valda värderingsmetoden innebär att eventuell inkurans i varulagret har beaktats.

**Skatt**
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.

*Aktuell skatt*
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

*Uppskjuten skatt*
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp.
Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

**Omräkning av poster i utländsk valuta**
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet.

**Fordringar, skulder och avsättningar**
Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

ank=20250711:7051



**Noter**

**Not 1 Nettoomsättningens fördelning**

Nettoomsättningen fördelar sig på geografiska marknader enligt följande:

| | 2024 | 2023 |
|---|---|---|
| Sverige | 340 555 | 434 518 |
| EU | 31 312 | 31 952 |
| Övriga länder | 24 760 | 22 060 |
| | **396 627** | **488 531** |

**Not 2 Arvode till revisorer**

| | 2024 | 2023 |
|---|---|---|
| *Öhrlings PricewaterhouseCoopers AB* | | |
| Revisionsuppdraget | 520 | 515 |
| Skatterådgivning | | 20 |
| | **520** | **535** |

**Not 3 Operationella leasingavtal**

| | 2024 | 2023 |
|---|---|---|
| Kostnadsförda leasingavgifter avseende operationella leasingavtal | 13 281 | 12 926 |
| Framtida minimileaseavgifter avseende ej uppsägningsbara operationella leasingavtal: | | |
| Ska betalas inom 1 år | 13 034 | 13 552 |
| Ska betalas inom 1-5 år | 20 594 | 30 110 |
| Ska betalas senare än 5 år | 24 | 544 |

**Not 4 Exceptionella intäkter och kostnader**

En korrigering om 9 987 tkr av en avsättning har gjorts under 2024 gällande ett produktfel. Den totala avsättningen för detta ändamål uppgår den 31 december 2024 till 66 077 tkr. Sto Scandinavia ABs förväntade framtida kostnad väntas täckas av ersättning från försäkringsbolag till ett belopp om 18 726 tkr, vilket har korrigerats med 3 361 tkr per den 31 december 2024. De aktuella posterna har nettats i resultaträkningen och resovisas under övriga intäkter om 6 626 tkr. Nettot av framtida förväntade utgifter och beräknad försäkringsersättning uppgår till 47 351 tkr. Under Övriga externa kostnader ingår kostnader reserverade för mot företaget riktade garantianspråk till ett högre belopp än föregående år.

ank=20250711117052



**Not 5 Anställda och personalkostnader**

*Medelantalet anställda*

| | 2024 | 2023 |
|---|---|---|
| *Män* | 97 | 102 |
| Kvinnor | 31 | 35 |
| | **128** | **136** |

| | 2024 | 2023 |
|---|---|---|
| *Löner och andra ersättningar* | | |
| Styrelse och verkställande direktör | 1 519 | 0 |
| Övriga anställda | 67 769 | 74 860 |
| | **69 288** | **74 860** |
| Tantiem till styrelse och verkställande direktör ingår med | 0 | 0 |
| *Pensions- och övriga sociala kostnader* | | |
| Pensionskostnader för styrelse och verkställande direktör | 536 | 0 |
| Pensionskostnader för övriga anställda | 8 438 | 9 690 |
| Övriga sociala kostnader enligt lag och avtal | 25 373 | 27 200 |
| | **34 347** | **36 890** |

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| *Utestående pensionsförpliktelser* | | |
| till styrelse och verkställande direktör | 1 038 | 913 |
| *Könsfördelning bland ledande befattningshavare* | | |
| Andel kvinnor i styrelsen | 0% | 0% |
| Andel män i styrelsen | 100% | 100% |
| Andel kvinnor bland övriga ledande befattningshavare | 17% | 14% |
| Andel män bland övriga ledande befattningshavare | 83% | 86% |

**Not 6 Inköp och försäljning mellan koncernföretag**

| | 2024 | 2023 |
|---|---|---|
| Andel av årets totala inköp som skett från andra företag inom koncernen | 43% | 48% |
| Andel av årets totala försäljning som skett till andra företag inom koncernen | 13% | 10% |

I övriga rörelseintäkter ingår koncernintern försäljning uppgående till 14 819 tkr (16 135 tkr).

**Not 7 Resultat från andelar i koncernföretag**

| | 2024 | 2023 |
|---|---|---|
| Erhållna utdelningar | 3 841 | 6 236 |
| | **3 841** | **6 236** |

ank=20250710;20250711117053



## Not 8 Skatt på årets resultat

| | 2024 | 2023 |
|---|---|---|
| Aktuell skatt | -5 961 | -6 271 |
| Förändring av uppskjuten skatt avseende temporära skillnader | 2 607 | 1 117 |
| Förändring av uppskjuten skattefordran avseende underskottsavdrag | 0 | -6 176 |
| **Summa redovisad skatt** | **-3 354** | **-11 331** |
| | | |
| **Genomsnittlig effektiv skattesats** | - | - |

**Avstämning av effektiv skattesats**

| | | |
|---|---|---|
| **Redovisat resultat före skatt** | **18 738** | **59 607** |
| Skatt på redovisat resultat enligt gällande skattesats 20,6%: | -3 860 | -12 279 |
| **Skatteeffekt av:** | | |
| Övriga ej avdragsgilla kostnader | -285 | -337 |
| Ej skattepliktig utdelning | 791 | 1 285 |
| **Redovisad skatt** | **-3 354** | **-11 331** |
| | | |
| Effektiv skattesats | - | - |

*Upplysningar om uppskjuten skattefordran och skatteskuld*
Uppskjuten skattefordran avser temporär skillnad mellan bokföring och beskattning avseende pensionsåtagande för kapitalförsäkring samt uppskjuten skattefordran hänförlig till skattemässigt underskott. Uppskjuten skatteskuld avser temporär

## Not 9 Balanserade utgifter för forskning och utvecklingsarbeten och liknande arbeten

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Ingående anskaffningsvärden | 500 | 500 |
| Årets anskaffningar | 0 | 0 |
| Försäljningar/utrangeringar | 0 | 0 |
| **Utgående ackumulerade anskaffningsvärden för pågående investeringar** | **500** | **500** |
| Ingående avskrivningar | -433 | -333 |
| Årets avskrivningar | -67 | -100 |
| **Utgående ackumulerade avskrivningar** | **-500** | **-433** |
| | | |
| **Utgående redovisat värde** | **0** | **67** |

## Not 10 Byggnader och mark

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Ingående anskaffningsvärden | 71 574 | 76 585 |
| Årets anskaffningar | 122 | 42 |
| Försäljningar/utrangeringar | 0 | -4 321 |
| Omklassificeringar | 360 | -732 |
| **Utgående ackumulerade anskaffningsvärden** | **72 056** | **71 574** |
| | | |
| Ingående avskrivningar | -39 045 | -41 813 |
| Försäljningar/utrangeringar | 0 | 4 321 |
| Omklassificeringar | 0 | 231 |
| Årets avskrivningar | -1 726 | -1 785 |
| **Utgående ackumulerade avskrivningar** | **-40 771** | **-39 045** |
| | | |
| **Utgående redovisat värde** | **31 285** | **32 528** |

ank=20250710;20250711117054



**Not 11 Maskiner och andra tekniska anläggningar**

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Ingående anskaffningsvärden | 82 602 | 82 762 |
| Årets anskaffningar | 140 | 94 |
| Försäljningar/utrangeringar | 0 | -254 |
| Omklassificeringar | 2 139 | 0 |
| **Utgående ackumulerade anskaffningsvärden** | **84 882** | **82 602** |
| | | |
| Ingående avskrivningar | -72 140 | -69 065 |
| Försäljningar/utrangeringar | 0 | 254 |
| Årets avskrivningar | -3 437 | -3 328 |
| **Utgående ackumulerade avskrivningar** | **-75 577** | **-72 140** |
| | | |
| **Utgående redovisat värde** | **9 305** | **10 463** |

**Not 12 Inventarier, verktyg och installationer**

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Ingående anskaffningsvärden | 47 979 | 46 638 |
| Årets anskaffningar | 1 930 | 1 857 |
| Försäljningar/utrangeringar | -277 | -1 248 |
| Omklassificeringar | 0 | 732 |
| **Utgående ackumulerade anskaffningsvärden** | **49 633** | **47 979** |
| | | |
| Ingående avskrivningar | -37 209 | -35 900 |
| Försäljningar/utrangeringar | 267 | 1 218 |
| Omklassificeringar | 0 | -231 |
| Årets avskrivningar | -2 483 | -2 296 |
| **Utgående ackumulerade avskrivningar** | **-39 424** | **-37 209** |
| | | |
| **Utgående redovisat värde** | **10 208** | **10 770** |

**Not 13 Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar**

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Ingående anskaffningsvärden | 2 499 | 0 |
| Årets anskaffningar | 3 598 | 2 499 |
| Omklassificeringar | -2 499 | 0 |
| **Utgående ackumulerade anskaffningsvärden** | **3 598** | **2 499** |
| | | |
| **Utgående redovisat värde** | **3 598** | **2 499** |

ank=20250711-20250711117055



## Not 14 Andelar i koncernföretag

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Ingående anskaffningsvärden | 20 280 | 20 280 |
| Försäljningar/utrangeringar | 0 | 0 |
| **Utgående ackumulerade anskaffningsvärden** | **20 280** | **20 280** |
| Ingående nedskrivningar | -3 572 | -3 572 |
| **Utgående ackumulerade nedskrivningar** | **-3 572** | **-3 572** |
| **Utgående redovisat värde** | **16 708** | **16 708** |

## Not 15 Specifikation av andelar i koncernföretag

| Namn | Kapital-andel | Rösträtts-andel | Antal andelar | Bokfört värde |
|---|---|---|---|---|
| Sto Finexter Oy | 100% | 100% | 1 000 | 10 913 |
| Sto Danmark A/S | 100% | 100% | 501 000 | 5 795 |
| | | | | **16 708** |

| | Org.nr. | Säte | Eget kapital* | Årets resultat* |
|---|---|---|---|---|
| Sto Finexter Oy | 0862614-7 | Tampere, Finland | 11 286 | 3 065 |
| Sto Danmark A/S | 31875382 | Hvidovre, Danmark | 16 090 | 4 090 |

*Eget kapital samt Årets resultat har angetts i sin helhet oavsett ägarandel.
Med Årets resultat avses resultat efter finansiella poster, före erlagd anteciperad utdelning

## Not 16 Uppskjuten skattefordran

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Ingående saldo | 1 483 | 6 425 |
| Tillkommande skattefordringar | 3 951 | 1 234 |
| Återförda skattefordringar | -1 230 | -6 176 |
| | **4 204** | **1 483** |

Se även not 8 Skatt på årets resultat.

## Not 17 Andra långfristiga fordringar

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Ingående anskaffningsvärden | 913 | 913 |
| Tillkommande fordringar | 125 | 0 |
| Amorteringar, avgående fordringar | 0 | 0 |
| **Utgående ackumulerade anskaffningsvärden** | **1 038** | **913** |
| **Utgående redovisat värde** | **1 038** | **913** |

## Not 18 Övriga fordringar

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Försäkringsersättning | 18 726 | 36 025 |
| Övriga fordringar | 1 303 | 151 |
| | **20 029** | **36 176** |

ank=20250710-20250711117056



## Not 19 Förutbetalda kostnader och upplupna intäkter

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Övriga upplupna intäkter | 82 | 275 |
| Förutbetalda hyreskostnader | 2 255 | 2 329 |
| Förutbetalda försäkringspremier | 1 059 | 1 055 |
| Övriga förutbetalda kostnader | 1 394 | 2 055 |
| | **4 789** | **5 714** |

## Not 20 Antal aktier

| 2024-12-31 | 2023-12-31 | 2024-12-31 | 2023-12-31 |
|---|---|---|---|
| *Kvotvärde* | *Kvotvärde* | *Antal* | *Antal* |
| 1 000 | 1 000 | 75 000 | 75 000 |
| | | **75 000** | **75 000** |

## Not 21 Avsättningar

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| *Pensioner och liknande förpliktelser* | | |
| Belopp vid årets ingång | 913 | 913 |
| Årets avsättningar | 125 | 0 |
| Under året ianspråktagna belopp | 0 | 0 |
| | **1 038** | **913** |
| *Uppskjuten skatteskuld* | | |
| Belopp vid årets ingång | 1 547 | 1 429 |
| Årets avsättningar | 114 | 118 |
| | **1 661** | **1 547** |

Se även not 8 Skatt på årets resultat.

| | | |
|---|---|---|
| *Övriga avsättningar* | | |
| Belopp vid årets ingång | 111 805 | 131 197 |
| Årets avsättningar | 21 345 | 7 439 |
| Under året ianspråktagna belopp | -45 055 | -26 132 |
| Under året återförda belopp | -263 | -699 |
| | **87 832** | **111 805** |

| | | |
|---|---|---|
| *Specifikation övriga avsättningar* | | |
| Garantiåtaganden | 87 832 | 111 805 |
| | **87 832** | **111 805** |

Utöver det som redogjorts för under not 4, har företaget på bokslutsdagen ytterligare garantianspråk riktade mot sig. Företagsledningen har valt att göra avsättning utifrån en uppskattad värdering av dessa, baserad på vid tiden för bokslutet kända uppgifter, varför slutligt utfall kan komma att avvika mot detta.

## Not 22 Terminskontrakt

Sto Scandinavia AB har tecknat terminskontrakt för att hantera sin valutarisk (EUR).

## Not 23 Upplupna kostnader och förutbetalda intäkter

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Upplupna löner | 842 | 1 028 |
| Upplupna semesterlöner | 9 179 | 9 425 |
| Upplupna sociala avgifter | 3 149 | 3 284 |
| Övriga upplupna kostnader | 7 298 | 5 744 |
| | **20 468** | **19 480** |

ank=20250710;20250711117057



## Not 24 Ställda säkerheter

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| **Säkerheter ställda för annat:** | | |
| För egel pensionsåtagande | 1 038 | 913 |
| | **1 038** | **913** |
| **Summa ställda säkerheter** | **1 038** | **913** |

## Not 25 Eventualförpliktelser

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Övriga ansvarsförbindelser till förmån för koncernföretag | 1 341 | 1 341 |
| | **1 341** | **1 341** |

## Not 26 Disposition av vinst eller förlust

**Förslag till resultatdisposition (kr)**
Styrelsen föreslår att till förfogande stående medel

| | |
|---|---|
| Balanserat resultat | 40 532 847 |
| Årets resultat | 15 384 045 |
| | 55 916 892 |
| disponeras så att | |
| till aktieägare utdelas (640 kronor per aktie) | 15 000 000 |
| I ny räkning överföres | 40 916 892 |
| | 55 916 892 |

Sto Scandinavia AB
556290-8318

Linköping den 26 mars 2025

Gino Gallaert
*Ordförande & Verkställande direktör*

Patrick Falk
*Styrelseledamot*

Svein Oftedal
*Styrelseledamot*

Jan Tore Andersen
*Styrelseledamot*

Vår revisionsberättelse har lämnats den 26 mars 2025
Öhrlings PricewaterhouseCoopers AB

Kristoffer Johansson
*Auktoriserad revisor*

ank=20250710;20250711117058

ank=20250711:7059

# Revisionsberättelse

Till bolagsstämman i Sto Scandinavia AB, org.nr 556290-8318

## Rapport om årsredovisningen

### Uttalanden

Vi har utfört en revision av årsredovisningen för Sto Scandinavia AB för år 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Sto Scandinavia ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Sto Scandinavia AB.

### Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Sto Scandinavia AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

### Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

ank=20250711117060

# Rapport om andra krav enligt lagar och andra författningar

## Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Sto Scandinavia AB för år 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

## Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Sto Scandinavia AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

## Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

## Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Jönköping den 26 mars 2025

Öhrlings PricewaterhouseCoopers AB

Kristoffer Johansson
Auktoriserad revisor

20250904057O6

| | |
|---|---|
| Företagsnamn: | Sto Scandinavia Aktiebolag , 556290-8318 |
| Ärende: | Årsredovisning |
| Räkenskapsår: | 2024-01-01-2024-12-31 |
| Ärendenummer: | 9506525/2025 |
| Ärendet kom in: | 2025-07-10 |
| Svaret ska ha kommit in: | 2025-09-12 |
| Telefonnummer: | 060-18 42 00 |

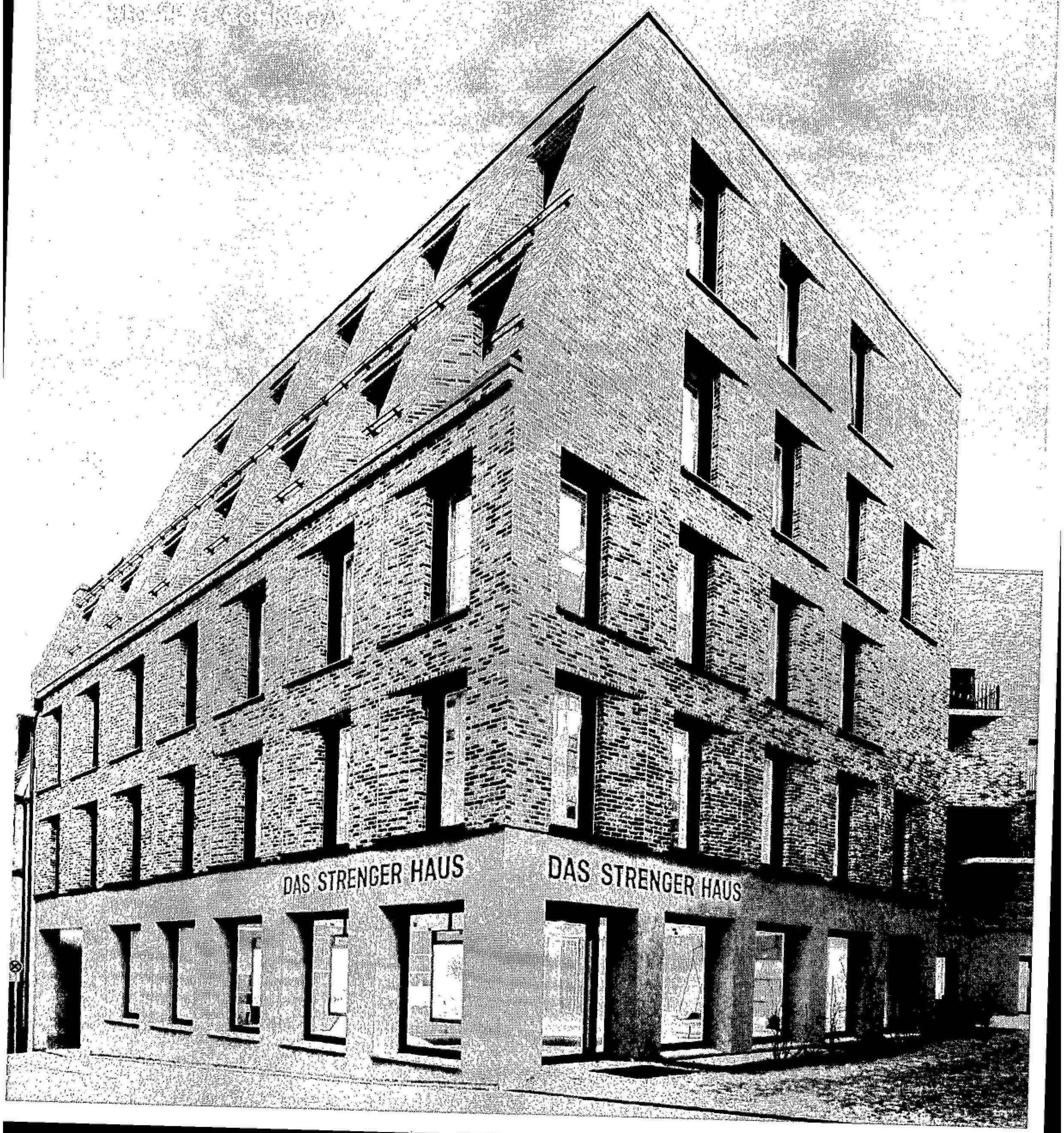
Jag intygar att denna kopia
stämmer med orginalet. / Jennie Schagerlind
Jennie Schagerlind

sto

Building with conscience.

20250904057O7

# 2024 Annual Report

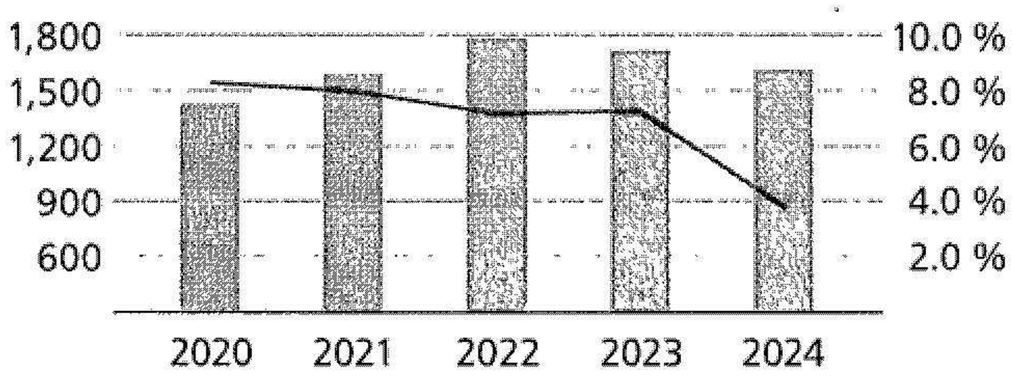


# Sto at a glance

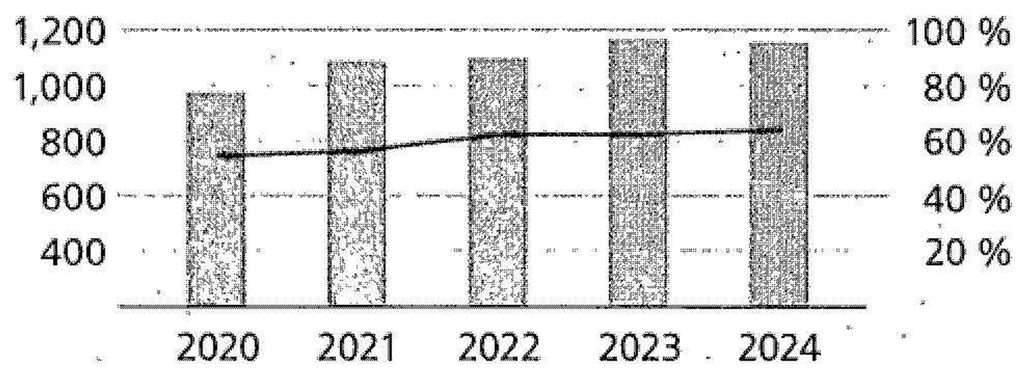
| Sto Group | 2020 | 2021 | 2022 | 2023 | 2024 | Changes in % 24/23 |
|---|---|---|---|---|---|---|
| **Turnover** | 1,433.0 | 1,590.5 | 1,787.4 | 1,718.0 | 1,612.3 | −6.2 |
| Germany | 660.1 | 692.5 | 761.8 | 716.1 | 653.5 | −8.7 |
| Outside of Germany | 772.9 | 898.0 | 1,025.6 | 1,001.9 | 958.8 | −4.3 |
| **Investments** (without: financial assets and IFRS 16) | 41.7 | 41.9 | 47.4 | 46.6 | 36.2 | −22.3 |
| **Depreciation/amortisation** (without: financial assets and IFRS 16) | 45.5 | 46.9 | 42.0 | 41.7 | 40.8 | −2.2 |
| **EBITDA** | 186.5 | 192.5 | 194.5 | 192.3 | 127.0 | −34.0 |
| **EBIT** | 120.8 | 124.5 | 129.7 | 126.5 | 58.8 | −53.5 |
| **EBT** | 119.0 | 127.9 | 128.3 | 127.4 | 60.9 | −52.2 |
| **Return on sales (EBT) (%)** | 8.3 | 8.0 | 7.2 | 7.4 | 3.8 | |
| **EAT** | 80.7 | 94.7 | 89.1 | 85.8 | 37.6 | −56.2 |
| Earnings per limited ordinary share (EUR) | 12.54 | 14.40 | 14.00 | 13.37 | 5.83 | −56.4 |
| Earnings per limited preference share (EUR) | 12.60 | 14.46 | 14.06 | 13.43 | 5.89 | −56.1 |
| **Cash flow from operating activities** | 177.2 | 111.4 | 95.3 | 170.9 | 90.5 | −47.0 |
| per share (EUR) | 27.58 | 17.34 | 14.83 | 26.60 | 14.09 | −47.0 |
| **ROCE (%)*** | 19.7 | 18.9 | 17.3 | 17.1 | 7.8 | |
| **Total assets** | 973.8 | 1,084.7 | 1,097.7 | 1,164.8 | 1,158.3 | −0.6 |
| **Equity** | 531.4 | 610.0 | 685.1 | 729.3 | 743.5 | 1.9 |
| in % of total assets | 54.6 | 56.2 | 62.4 | 62.6 | 64.2 | |
| **Employees** (year end) | 5,545 | 5,697 | 5,735 | 5,783 | 5,599 | −3.2 |
| of which in Germany | 3,000 | 3,127 | 3,130 | 3,171 | 3,100 | −2.2 |
| of which outside of Germany | 2,545 | 2,570 | 2,605 | 2,612 | 2,499 | −4.3 |
| **Sto share** | | | | | | |
| Dividend per limited ordinary share (EUR)** | 0.25/4.69 | 0.25/4.69 | 0.25/4.69 | 0.25/4.69 | 0.25/3.00 | |
| Dividend per limited preference share (EUR)** | 0.31/4.69 | 0.31/4.69 | 0.31/4.69 | 0.31/4.69 | 0.31/3.00 | |
| Price-to-earnings ratio (31 Dec) | 10.3 | 15.3 | 10.7 | 10.4 | 18.2 | |
| Price-to-book ratio (31 Dec) | 1.6 | 2.3 | 1.4 | 1.2 | 0.9 | |

(Figures in EUR million unless otherwise indicated)

## Development of P&L data




## Development of balance sheet data




* ROCE = EBIT divided by average capital employed.
Capital employed = Intangible assets + Property, plant, and equipment + Rights of use + Inventories + Trade receivables ./. Trade payables
Balance sheet values are calculated on the basis of an arithmetic average value of the respective reporting date values at the end of the month for the respective period.

** 2024: proposal by the personally liable partner STO Management SE and the Supervisory Board of Sto SE & Co. KGaA.

Rounding of amounts may lead to minor deviations in totals and in the calculation of percentages in this report.

20250904057O8

# Contents

**4 Foreword**

**8 Report of the Supervisory Board**

**16 The Sto share**

**18 Management report for the Sto Group (IFRS)**
20 The 2024 financial year at a glance
20 A. Group fundamentals
24 B. Financial report
24 General statement on business development in 2024 and comparison with the forecast
25 Overall economic and sector-related general conditions in 2024
26 Income situation
29 Financial situation
31 Assets and liabilities situation
33 C. Other performance indicators
33 Employees
35 Research and development (R&D)
37 Certified quality management
37 Production
38 Procurement
40 D. Risks and opportunities report
51 E. Outlook report
55 F. Sustainability statement
58 ESRS 2 General information
94 ESRS E1 Climate change
105 EU Taxonomy reporting by the Sto Group
121 ESRS E5 Resource use and circular economy
126 ESRS S1 Workforce of the company
146 ESRS S2 Workers in the value chain
152 ESRS S3 Affected communities
157 ESRS S4 Consumers and end-users
163 ESRS G1 Corporate governance

**173 Corporate Governance Report / Corporate governance statement**

**185 Consolidated annual financial statements of the Sto Group (IFRS)**
186 Consolidated statement of profit or loss
187 Consolidated statement of comprehensive income
188 Consolidated statement of financial position
190 Consolidated statement of changes in equity
192 Consolidated statement of cash flows
193 Notes to the consolidated financial statements

**252 Independent Auditor's Report**

**258 Independent Auditor's Limited Assurance Report**

**261 Responsibility statement by the legal representatives**

**262 Financial calendar**

About the title image:
Steimle Architekten realised a striking residential and office ensemble with three point buildings linked by a shared ground floor in Ludwigsburg city centre. The design of the new KfW-55 buildings (energy efficiency class according to German investment and development bank) is based on the surrounding aged clinker brick buildings from the 'Gründerzeit' (time period between the mid 19th century and 1914). Rough, irregularly shaped hand-laid brick slips (StoBrick) were used on two different facade systems – the StoTherm Mineral external wall insulation system and the StoVentec C ventilated rainscreen cladding system. The sloping surface was achieved with a special construction and a rainscreen cladding facade from Sto. In the window openings with their reveal chamfers, the sloping motif is repeated a second time in the facade and gives the architecture a characteristic expression. The plinth storey was designed with the StoSignature Fine 20 surface technique. It combines the organic Stolit render finish with a sanded fine render (Stolit Milano[R-Markenzeichen]).
Photo: Brigida González, Stuttgart/Germany /
Sto SE & Co. KGaA

At Sto, we attach great importance to gender equality. For reasons of better readability, however, the simultaneous naming of male, female, diverse (m/f/d) is omitted. All personal designations apply equally to all genders.

# Foreword



Rainer Hüttenberger,
Chief Executive Officer of
STO Management SE
Photo: Martin Baitinger,Böblingen/Germany

**Dear Shareholders,**
Sto's history begins in 1955 in Stühlingen/Germany – with an innovation, an organic render. After seventy exciting and not always easy years, we are now one of the leading international producers of products and systems for coating buildings, represented around the globe and the world market leader for external wall insulation systems. We are proud of that! And we are convinced that we can continue the Sto story successfully.

However, the potential of our markets is currently being overshadowed by numerous negative forces. For the most part, we cannot influence these factors, or only to a very limited extent: the very subdued macroeconomic situation, several years of weak construction activity in many of Sto's core markets, increased construction costs, poor financing conditions and complicated, wide-ranging standards and regulations. The decisions of political actors must also be mentioned here. The subsidy conditions, which are supposed to act as an incentive for investors, were unclear for long periods or were repeatedly changed, especially in Germany. This is fuelling uncertainty and deterring investors.

One external influence that we are exposed to every year is the weather. Frost, frequent precipitation, but also very high temperatures are hampering construction activities – especially in the exterior. This is part of our business model and we have adapted to it as well as possible, but when work on construction sites is disrupted by the weather, as it often was the case last year, we are also affected.

In 2024, many factors challenged us more than expected. As a result, we had to revise our forecasts downwards twice in the course of the year and clearly missed our original targets. Consolidated turnover fell to EUR 1.61 billion, down 6.2 % on the previous year's value. The loss in earnings was even more serious: consolidated EBIT fell by 53.5 % to EUR 58.8 million. This was well below the figures published at the beginning of the year, but the November forecasts were achieved in full.

As soon as it became clear how strong the headwinds blowing against us in 2024 would be, we imposed a cost-cutting programme on ourselves starting in the middle of the year: we are pursuing a restrictive recruitment and spending policy worldwide, limiting our investments to the most

20250904057O9

important projects and introducing short-time work at Sto SE & Co. KGaA in November and December.

This means that we are prepared for the coming months, as the difficult general conditions in the significant European markets will not change in the near future. From today's perspective, the growth drivers, with a few regional exceptions such as the Americas, will continue to be held back by the negative influencing factors in 2025, and a far-reaching market recovery will continue to be delayed. Group-wide, we expect a slight decline in turnover to EUR 1.57 billion. We are forecasting EBIT in a range of EUR 51 million to EUR 71 million and earnings before taxes (EBT) in a range of EUR 50 million to EUR 70 million, meaning that the return on sales in relation to EBT should be between 3.1 % and 4.5 %.

Despite everything, the positive outlook for Sto remains. The potential for growth in the market segments and regions we serve remains unchanged and there are numerous opportunities that we intend to seize in the long term. It is clear that energy efficiency in the construction sector, where a great deal can be done for climate change mitigation, must be significantly improved worldwide – even if only the politically agreed targets are to be achieved. However, this requires fixed requirements and incentives. A functioning and, above all, reliable funding policy is an effective way of incentivising the energy-efficient refurbishment of buildings. Several countries in Western and Eastern Europe have proven this and can serve as a role model, as the programmes launched there have triggered a surge in demand in recent years.

Opportunities also arise from our international positioning. Almost all markets are affected by higher interest rates and increased material costs, but the economic situation varies around the world. While the real estate sector in China remained very difficult in 2024, sales in the USA, for example, performed well. In addition, many countries are facing a glaring gap in residential construction – it is not only in Germany that the need for housing is enormous. This also speaks in favour of a long-term increase in the volume of construction.

The gap between existing market potential and lack of demand is particularly evident in external wall insulation systems: despite the high demand – more than 16 million single-family/two-family houses are not yet insulated in the domestic market alone – sales of external wall insulation systems in Germany have not grown in the last ten years, but have actually fallen recently. In 2025, it is likely to weaken further, albeit to a lesser extent. This is in drastic contradiction to the existing demand for housing and climate targets and emphasises the need for action.

The facts also prove this: in almost all European countries, the average temperature rise compared to the long-term average is already above the 1.5 °C mark. Climate change is progressing and is absolutely not a marginal problem. Nevertheless, environmental protection is becoming less and less significant and is being pushed into the background by other issues such as defence policy, partly due to geopolitical developments. Additionally, the German elections were moved up. They have considerably restricted the ability to act politically and there is a threat of deadlock at least until a new government is formed. In addition, important decisions are suddenly being questioned, for example the German Buildings Energy Act. However, neither the economy nor the environment can afford further delays; instead, we need a spirit of optimism with concrete economic initiatives in order to become competitive again and advance climate change mitigation.

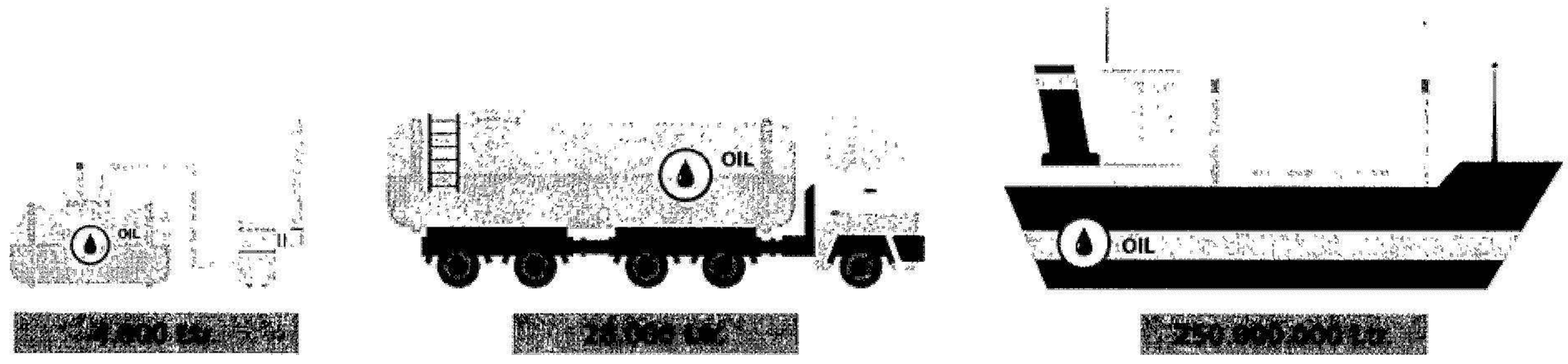
Sto products can make a significant contribution to this, as they reduce the negative environmental impact of buildings. Take the area of facade systems: solid insulation keeps the house warmer for longer and reduces heating costs and $CO_2$ emissions. Sto insulation systems alone, which have been installed on buildings worldwide since 1965, have saved around 147.5 billion litres of heating oil up to and including 2024. This corresponds to the load of around 590 oil tankers with a capacity of 250 million litres. The resulting $CO_2$ reduction amounts to almost 470 million tons.

We also want to minimise our own ecological footprint in line with our sustainability strategy. Sustainability is not a claim for us, but a core competence and a key success factor. In this report, we are voluntarily implementing the CSRD Directive, which was originally intended to be an obligation in Germany from the 2024 financial year but was postponed by legislators at the end of December on short notice. Accordingly, we have integrated the Sustainability Statement 2024 into the Group management report and are also among the pioneers in this respect.

Our brand claim "Building with conscience." expresses our understanding of sustainability claim, It represents our mission to contribute to the conservation of values and the aesthetic appeal of buildings. Sustainability extends to every area within the Sto's sphere of influence and is being implemented at every value-added step., including in product development. This benefits both the environment and our company: among other things, we are meeting the needs of our customers, for whom the concept of sustainability is becoming increasingly important. We also open up opportunities for innovation and can differentiate ourselves from the competition.

## Thermal insulation helps to protect the environment

From 1965 until today, the energy savings from the use of Sto facade insulation systems correspond to around 147.5 billion litres of heating oil




Between 1965 and 2024, Sto's facade insulation systems helped to save an almost unimaginable 147.5 billion litres of heating oil.*
Sto is thus making a considerable contribution to global climate change mitigation. In translation, around 470 million tons of $CO_2$ have not even been released into the atmosphere thanks to our facade insulation systems. In 2024 alone, Sto products reduced the emission of combustion gas by around 25.3 million tons.

*according to own calculations
Image source: © Sto SE & Co. KGaA

One example of this is the products in our AimS® line, which have already received several awards. All components of this system are based to a very large extent on renewable and sufficiently available raw materials. Significantly less crude oil is used in the production, resources are conserved and the carbon footprint is minimised. It can also be separated by type and returned to the circular economy. In 2024, the StoTherm AimS®facade system was one of the three finalists for the 17th German Sustainability Award in the 'Paints and Coatings' category.

We believe we are well positioned not only on the product side and want to return to income-oriented growth as soon as the market environment allows it. We are also preparing the structure of the company for a successful future. The introduction of the SAP S/4HANA ERP system is an important step in this direction. The implementation, which we are pushing ahead as planned in 2025, will initially incur costs, but the investment is an important foundation for our future positioning. The new system is one of the key enablers of the Sto Group's digital transformation and will significantly improve our processes in many areas. The roadmap for the introduction has been finalised and the preparatory work will be completed by mid-2025, meaning that we will start the design phase in the second half of the year. Starting in 2026, implementation and the first go-live in individual companies will follow.

Our strategy, which sets out our targets and the corresponding roadmap, is also forward-looking. It is based on our core competences and the firmly anchored Sto values, but at the same time proactively incorporates the current environment, trends and opportunities for growth. As the planning horizon of our current strategy expires in 2025, we are currently working on a targeted revision. We are reviewing our strategic targets and initiatives with the expectation of significantly improving the effectiveness of our policy in terms of profitable growth that protects capital. We take into account current trends such as the potential of artificial intelligence as well as opportunities and risks and define medium- to long-term targets. As mentioned at the beginning, we cannot change many of the influencing factors that play a role in this. This makes it all the more important to mobilise your own strengths and focus on what is important.

On the Executive Board of STO Management SE, we have also set the course for good further development and continued the generational change. On the one hand, this means change, rejuvenation and progress, and on the other hand, we have the opportunity to successfully enrich what we already have with fresh ideas and experiences from the exterior. The process of change began a year ago with the appointment of Désirée Konrad as Chief Financial Officer and continued at the beginning of 2025: Jost Bendel succeeded Jan Nissen, who retired at the end of 2024. Jan Nissen has been a member of the Executive Board since 2017 and was responsible for process engineering, innovation, materials

20250904057 10

management and logistics. On behalf of the entire Executive Board team, I would like to thank him for the particularly good and very successful cooperation.

Sto remains a family-owned company to this day. This has a positive impact in many respects: we act responsibly and maintain close contact with our market partners and our employees, who once again mastered the challenges of 2024 with exceptional commitment and a great deal of initiative. We would like to thank them as well as our shareholders for placing their trust in us.

Thank you very much,



**Rainer Hüttenberger**
Chief Executive Officer of STO Management SE
as the personally liable partner of Sto SE & Co. KGaA

# Report of the Supervisory Board

## Members of the Supervisory Board

**Peter Zürn**
Bretzfeld-Weißlensburg/Germany, Kaufmann (merchant), Member of the Supervisory Board since 27 June 2007, Chairperson of the Supervisory Board since 22 June 2022, Chairperson of the Nomination Committee since 22 June 2022

**Niels Markmann***
Gelsenkirchen/Germany, Chairperson of the General Works Council and Chairperson of the Works Council for the North-West Sales Region, Sto SE & Co. KGaA, Member of the Supervisory Board since 24 April 2020, Deputy Chairperson of the Supervisory Board since 22 June 2022, Member of the Finance Committee

**Maria H. Andersson**
Munich/Germany, Family Officer, Partner, Managing Director, Member of the Supervisory Board since 14 June 2017, Chairperson of the Finance Committee since 14 June 2017

**Thade Bredtmann***
Pfalzgrafenweiler/Germany, Vice President Human Resources Sto Group, Member of the Supervisory Board since 22 June 2022, Member of the Audit Committee

**Klaus Dallwitz***
Maintal/Germany, Order Acceptance and Route Scheduling Administrator, Sto SE & Co. KGaA, Member of the Supervisory Board since 22 June 2022

**Catharina van Delden**
Munich/Germany, entrepreneur, Member of the Supervisory Board since 22 June 2022

**Petra Hartwig***
Bad Zwesten/Germany, Trade Union Secretary at IG BCE, District Manager for the district of Kassel, Member of the Supervisory Board since 22 June 2022

**Frank Heßler***
Mannheim/Germany, Political Trade Union Secretary, Deputy Regional Manager of IG BCE for the regional district of Baden-Württemberg, Member of the Supervisory Board since 14 June 2017

**Barbara Meister***
Blumberg/Germany, Chairperson of the Stühlingen Works Council, Sto SE & Co. KGaA, Member of the Supervisory Board since 1 June 2010, Member of the Finance Committee, Member of the Audit Committee

**Dr Renate Neumann-Schäfer**
Überlingen/Germany, Corporate consultant, Economist, Member of the Supervisory Board from 14 June 2017 to 19 June 2024, Chairperson of the Audit Committee from 14 June 2017 to 19 June 2024

**Prof. Dr Klaus Peter Sedlbauer**
Rottach-Egern/Germany, Chair of Building Physics at the Technical University of Munich, Member of the Supervisory Board since: 27 June 2007, Member of the Nomination Committee

**Dr Kirsten Stotmeister**
Lauchringen/Germany, Family Office Head of Finance/Treasury, Member of the Supervisory Board since 22 June 2022, Member of the Audit Committee, Member of the Finance Committee, Member of the Nomination Committee

**Rolf Wöhrle**
Bad Dürrheim/Germany, Board Member, Member of the Supervisory Board since 19 June 2024, Chairperson of the Audit Committee since 19 June 2024

* Employee representatives

2025090405711



Peter Zürn,
Chairperson of the
Supervisory Board of
Sto SE & Co. KGaA
Photo: Martin Baitinger, Böblingen/Germany

**Dear Shareholders,**
in the year under review, the Supervisory Board of Sto SE & Co. KGaA performed the duties incumbent upon it under statutory law, the Articles of Association, the German Corporate Governance Code and the Internal Rules of Procedure with great care. He advised and continuously monitored the management of the company by the personally liable partner STO Management SE. The Supervisory Board, particularly through its Chairperson, maintained constant contact with the Executive Board of the personally liable partner and obtained information about all important issues and decisions of the Group. The cooperation between the Supervisory Board and the members of the Executive Board of STO Management SE was always constructive and characterised by an open, trusting exchange. The Supervisory Board was regularly, promptly, and comprehensively informed of all issues of importance to the Company and the Group; this included information on risks and monthly updates in between the regular meetings. The Supervisory Board discussed all relevant contents in both their meetings and their committees.

The Supervisory Board's work and deliberations centred on the current situation and business development of the individual company and the Sto Group, business policy, planning including financial, investment and personnel planning, the financial situation and income situation, opportunities and risks, risk management, changes in general conditions, the compliance situation and issues relating to the sustainability of the Sto Group and its products. Decisions or actions taken by the Executive Board of the personally liable partner were examined and conscientiously discussed by the members of the Supervisory Board, regularly based on the preparatory work of the relevant committees as well as extensive documents and background information. In decisions that were of crucial importance, the Supervisory Board was always involved immediately.

Furthermore, the Supervisory Board continually obtained assurances that the actions of the Executive Board of the personally liable partner STO Management SE were legitimate, orderly, and fit for purpose. None of the members of the Supervisory Board had any conflicts of interest regarding the execution of their offices during the reporting period. No member of the Supervisory Board was absent from half or more sessions during the period in which they belonged to the Board. The members' attendance is shown in the following matrix of meetings of the Supervisory Board and its committees, indicating the type of attendance (virtual or in person). Prior to the ordinary Supervisory Board meetings, with the exception of the two meetings held on the day of the Annual General Meeting,

the shareholders' and workers' representatives regularly held pre-meetings by way of a pre-information vote.

## Key issues dealt with and committee work by the Supervisory Board

Six ordinary Supervisory Board meetings were held in the 2024 financial year: on 18 April, 25 July, 24 October and 20 December 2024 as well as before and after the Annual General Meeting on 19 June 2024. The Supervisory Board was always quorate and able to pass resolutions.

As part of a special organisational meeting on 29 January 2024, the Supervisory Board took an in-depth look at the efficiency of its work and the areas in which there was potential for improvement; this involved an efficiency review in accordance with Item D.12 of the German Corporate Governance Code. Additionally, issues relating to the efficiency of activities and monitoring were routinely addressed in other regular meetings of the Supervisory Board, even if the Executive Board of the personally liable partner was not able to attend.

At the organisational meeting on 29 February 2024, the Supervisory Board obtained in-depth information on current topics and requirements relating to Supervisory Board activities from internal and external advisors appointed by it. These training courses, which were organised at the company's expense, focused on current legal developments relating to the requirements for Supervisory Board members, the Corporate Sustainability Reporting Directive (CSRD) and the Sto Group's compliance management system (CMS) and CMS in general. As part of explanatory factory tours, the Supervisory Board visited the company's site in Kriftel/Germany, where the subsidiary StoCretec GmbH is also located, at the meeting on 25 July 2024 and the production and operating sites of the Ströher Group's companies at Dillenburg/Germany at the ordinary Supervisory Board meeting on 24 October 2024. Strategy, product and industry specifics as well as the economic situation, opportunities and risks of the companies at these locations were also discussed in detail.

The Executive Board of the personally liable partner STO Management SE was present at the meetings unless topics had to be discussed in its absence. The Supervisory Board also met regularly without the personally liable partner and its Executive Board, in particular on issues of efficiency and organisation.

Based on the Internal Rules of Procedure of the Supervisory Board, members of the Supervisory Board took part in some of the meetings virtually if this was necessary for organisational or health reasons. The respective type of participation is shown in the meeting matrix below.

At all meetings held in 2024, the Supervisory Board dealt intensively with the market situation and the current development of the Sto Group, Sto SE & Co. KGaA, the regional segments, and the associated Sto companies. The company's strategy, opportunities and risks, personnel and financial matters, compliance issues, investments and Group planning were also discussed on an ongoing basis. Other dominant topics of the Supervisory Board's work in 2024, which the committees discussed intensively on several occasions during the reporting period and debated possible actions, were the negative change in general economic conditions and the difficult economic and market situation, particularly for the Group companies of the Ströher Group in Germany, Sto Ltd. in Great Britain and Skyrise Prefab Building Solutions Inc. in Canada. The distortions and uncertainties in many of Sto's key markets due to global interest rate developments and their consequences for the construction and real estate sector as a whole, as well as the partially unclear or more restrictive subsidy policies in Germany, Italy and France with regard to the building sector, were also recurring themes. The main focus here was on the worse-than-planned development in the respective markets and companies, particularly in the second half of 2024.

Outside of the meetings, the Supervisory Board was kept fully informed of the current status quo through reporting and risk updates in the form of regular Interim Financial Reporting. This also related to the overall political situation with the ongoing Russia-Ukraine conflict and its direct and indirect consequences, the end of the German government coalition and the new elections in the USA, the changing interest rate environment, the resulting impacts on the construction and real estate sector and general business development. The Chairperson of the Supervisory Board maintained close and regular dialogue with the Executive Board of the personally liable partner and the chairperson of the Audit Committee.

In addition to the regular topics, the focus of the first ordinary meeting on 18 April 2024 was on discussing the annual financial statements and management report of Sto SE & Co. KGaA, the consolidated annual financial statements and the Group management report, as well as the Sustainability Report, each for the 2023 financial year. The details discussed in the Audit Committee were incorporated. The auditor reported on their audit at this Supervisory Board meeting and explained the focal points of the audit. The Chairperson of the Audit Committee, who had looked at the documents in depth beforehand, also reported on the audit and the discussion of the financial statements, the Sustainability Report, and the Dependent company report in accordance with Sections 312 et. seq. of the German Stock Corporation Act (AktG). The Executive Board of the personally liable partner STO Management SE reported on the other mandatory publications, in particular the Corporate governance report and sustainability report. The non-financial statements, in particular the statements and disclosures made on Sustainability and Corporate Social Responsibility, were also discussed and reviewed by the Supervisory Board. The approval of the Remuneration report in accordance with Section 162 of the German Stock Corporation Act (AktG) was another subject of deliberation. Following detailed discussions and based on its own extensive audit, the Supervisory Board approved the Annual financial statement of Sto SE & Co. KGaA and the Consolidated annual financial statement of the Sto Group for the 2023 financial year, as well as the Company's Sustainability Report, the Dependent

20250904057 12

company report, and the Corporate governance report in accordance with Section 171 of the German Stock Corporation Act (AktG).

Following a thorough debate, the Supervisory Board also resolved the report of the Supervisory Board on the 2023 financial year and the agenda for the Annual General Meeting on 19 June 2024. The Supervisory Board resolved the proposal for the appropriation of profits by the personally liable partner STO Management SE. In addition, the Supervisory Board submitted a nomination proposal to the Annual General Meeting regarding the appointment of the auditor of Sto SE & Co. KGaA (annual financial statements and consolidated financial statements) for the 2024 financial year. Based on the proposal of the Supervisory Board's Nomination Committee and the nomination recommendation of the majority shareholder Stotmeister Beteiligungs GmbH, the Supervisory Board resolved the nomination proposal to propose Mr Wöhrle as the successor to Dr Neumann-Schäfer, who will leave the Supervisory Board and thus also the Audit Committee at the end of the 2024 Annual General Meeting due to her age and rotation. The Supervisory Board also acknowledged and approved the Sto Group's strategic plan, including the 5-year plan for 2024 – 2028, which was discussed in detail, taking into account the details examined in the Finance Committee. Other topics included significant management measures and – as in each of the subsequent meetings in 2024 – projects to further optimise processes as part of the TOM (Target Operating Model) project as well as issues relating to the planned introduction of SAP S/4HANA in the Sto Group.

The preparatory Supervisory Board meeting on 19 June 2024 primarily dealt with the Company's Annual General Meeting, which took place on that same day in Donaueschingen. The focus of the Supervisory Board's follow-up meeting on 19 June 2024 was the election of Mr Wöhrle as chairperson of the Audit Committee to succeed Dr Neumann-Schäfer.

The meeting on 25 July 2024, which took place at the Sto location in Kriftel/Germany at the company's offices as described above, focused on the business development in the first half of 2024 as well as the projection for the end of the year and the current tense development and challenges in the construction and real estate industry. In particular, the reasons and estimates for the downward revision of the turnover and earnings forecast for the 2024 financial year on the previous day and the failure to achieve the communicated medium-term targets for the 2025 and 2027 financial years were discussed. Other items on the agenda included the risk inventory, the results of the 2023 audit of the European Market Infrastructure Regulation (EMIR), principles of the M&A strategy, future CSRD reporting and materiality assessment, questions regarding the location Wuhan/China, and the strategic project for EP/PU production in the Sto Group.

At its meeting on 24 October 2024 at the offices of the Ströher Group in Dillenburg/Germany, the Supervisory Board dealt in particular with the projection for the 2024 financial year and the current business development. This discussion centred on the tense situation and the negative change in general conditions in the construction industry in key markets and the difficult economic and market situation of Group companies such as the Ströher Group in Germany, Sto Ltd. in Great Britain and Skyrise Prefab Building Solutions Inc. in Canada. The Sto Group's rainscreen cladding facade strategy was also discussed. The meeting also focussed on the tense economic situation of the Ströher companies, including strategic aspects and the future position of these companies within the Sto Group.

The last Supervisory Board meeting on 20 December 2024 focused on the planning for the 2024 financial year for Sto SE & Co. KGaA and the Sto Group as well as the estimate of business development in the context of the renewed correction of the turnover and earnings forecast of STO Management SE for the Sto Group's 2024 financial year on 18 November 2024. The downward adjustment of the estimate took into account the further negative changes of general conditions and the difficult economic and market situation of the Group companies of the Ströher Group in Germany, Sto Ltd. in Great Britain and Skyrise Prefab Building Solutions Inc. in Canada, the negative impacts of the restrictions on public subsidies of energy-related measures in Italy and France and the lack of stabilisation in the real estate sector in China, contrary to previous expectations. Other topics included the auditor's preliminary audit and audit planning of the Annual financial statement and Consolidated annual financial statement of the Sto Group for the 2024 financial year for Sto SE & Co. KGaA, the risk assessment and provisions for loss, and the adoption of the Declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG). In addition, the legal and economic situation of Sto Ltd. in Great Britain as well as sustainability reporting issues and the resulting consequences were discussed.

**Supervisory Board committees**

In the 2024 financial year, the Supervisory Board of Sto SE & Co. KGaA had a Nomination Committee, an Audit Committee, and a Finance Committee. For information on the committee appointments in the 2024 financial year, please refer to the introductory overview of the members of the Supervisory Board and the meeting matrix below. These bodies made preparations for the agenda items to be discussed by the Supervisory Board and the decisions which need to be taken.

The Nomination Committee met once during the financial year to nominate a candidate to succeed Dr Neumann-Schäfer, who stepped down at the Annual General Meeting on 19 June 2024.

The Audit Committee and the Finance Committee each held four meetings in the 2024 financial year. The Audit Committee's main topics were the annual financial statement and the consolidated annual financial statement of the Sto Group for 2023 of Sto SE & Co. KGaA, the management reports, the

## Overview of attendance at Supervisory Board meetings in 2024

| Supervisory Board meetings: Members | 29 Feb 2024 | 18 Apr 2024 | 19 June 2024 (before the AGM) | 19 June 2024 (after the AGM) | 25 July 2024 | 24 Oct 2024 | 20 Dec 2024 |
|---|---|---|---|---|---|---|---|
| Zürn, Peter | √ | √ | √ | √ | √ | √ | √ |
| Markmann, Niels | √ | √ | √ | √ | √ | √ | √ |
| Andersson, Maria H. | √ | √ | √ | √ | √ | √ | √ |
| Bredtmann, Thade | √ | √ | √ | √ | √ | √ | √ |
| Dallwitz, Klaus | √ | √ | √ | √ | √ | √ | √ |
| van Delden, Catharina | √ | √ | √ | √ | √ | √ | √ (v) |
| Hartwig, Petra | √ | √ | √ | √ | √ | √ | √ |
| Heßler, Frank | √ | √ | √ | √ | √ | √ | √ |
| Meister, Barbara | √ | √ | √ | √ | √ | √ (v) | √ (v) |
| Dr Neumann-Schäfer, Renate | √ | √ | √ | | | | |
| Prof Dr Sedlbauer, Klaus Peter | √ | √ | √ | √ | √ | √ (v) | √ (v) |
| Dr Stotmeister, Kirsten | √ | √ | √ | √ | √ | √ | √ (v) |
| Wöhrle, Rolf | | | | √ | √ | √ | √ |

(v) virtual

## Overview of participation in committee meetings 2024

| Committee meetings (Audit Committee (P) / Finance Committee (F) / Nomination Committee (N)): Members | 17 Apr 2024 P/F/N | 24 July 2024 P/F | 23 Oct 2024 P/F | 19 Dec 2024 P/F |
|---|---|---|---|---|
| Zürn, Peter (N) | √ (P+F+N) | √ (P+F) | √ (P+F) | √ (P+F) |
| Markmann, Niels (F) | √ | √ | √ | √ |
| Andersson, Maria H. (F) | √ | √ | √ | √ |
| Bredtmann, Thade (P) | √ | √ | √ | √ |
| Meister, Barbara (P/F) | √ (P+F) | √ (P+F) | √ (P+F) | √ (P+F) |
| Dr Neumann-Schäfer, Renate (P) | √ | | | |
| Prof Dr Sedlbauer, Klaus Peter (N) | √ | | | |
| Dr Stotmeister, Kirsten (P/F/N) | √ (P+F+N) | √ (P+F) | √ (P+F) (v) | √ (P+F) |
| Wöhrle, Rolf (P) | | √ | √ | √ |

Mr Zürn attended both P and F as a guest for information purposes.

20250904057 13

dependent company report and the auditor's report as well as the other mandatory reports, including the sustainability statement integrated into the management report from the 2024 financial year onwards. Other items on the agenda included business development, the current projections for the year as a whole and the 2024 half-year report. The members of the Audit Committee also discussed compliance management, the effectiveness of the internal control and risk management system, internal audit, sustainability issues, the European Market Infrastructure Regulation audit for 2023, the audit of the financial statements and the auditor's fees. The chairperson of the Audit Committee was also in direct dialogue with the company's auditor outside of the meetings, in some cases without the participation of the personally liable partner of the Company.

The Finance Committee primarily dealt with important management matters at STO Management SE, the financing of Group companies, Group planning and upcoming investment and financing measures. Investments in IT measures and possible acquisition opportunities were also discussed in detail.

In view of the special challenges, the Chairperson of the Supervisory Board attended each of the meetings of the Audit Committee, the Finance Committee and the full Supervisory Board in the 2024 financial year in consultation with them.

**Corporate Governance and Declaration of Compliance**
In the year under review, the Supervisory Board of Sto SE & Co. KGaA duly dealt with the principles, recommendations and suggestions of the German Corporate Governance Code in the version dated 28 April 2022. Taking this version into account, a declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG) was issued in December 2024 and is available on the company's website along with older versions of the declaration. Further details can be found in the Corporate governance report in the 2024 annual report.

**Audit of annual and consolidated financial statements**
On 19 June 2024, the Annual General Meeting of Sto SE & Co. KGaA appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart/Germany, to act as the auditor and Group auditor for the 2024 financial year. It audited the Annual financial statement of Sto SE & Co. KGaA, prepared by the Executive Board of the personally liable partner STO Management SE, the Management report, the Consolidated annual financial statement of the Sto Group, the Group management report for the 2024 financial year, as well as the Dependent company report in accordance with Sections 312, 278 of the German Stock Corporation Act (AktG) and the Remuneration report in accordance with Section 162 of the German Stock Corporation Act (AktG). The responsible chartered accountant with respect to Section 319a (1) sentence 4 of the German Commercial Code (HGB) was Kai Mauden. The Group sustainability statement of Sto SE & Co. KGaA for the 2024 financial year contained in the 'Sustainability statement' section of the Group management report was subjected to a voluntary audit to obtain limited assurance. The auditor determined that the consolidated annual financial statement and the consolidated annual financial statement of Sto SE & Co. KGaA comply in all material respects with the stipulations of German commercial law, with the IFRS Aaccounting Standards, as they are to be applied in the EU, and with German legal regulations to be applied in accordance with Section 315e (1) of the German Commercial Code (HGB), that they give a true and fair view of the assets, liabilities, financial position and profit or loss in accordance with the generally accepted accounting principles in Germany, and that the annual financial statement and the consolidated annual financial statement of Sto SE & Co. KGaA give a true and fair view of the Company's and the Group's situation. In all material respects, the Management report and Group management report are consistent with the Annual financial statement and Consolidated annual financial statement, comply with German legal regulations and accurately presents the opportunities and risks of future development. In addition, the auditor determined that the early risk detection system within the meaning of Section 91 (2) of the German Stock Corporation Act (AktG) is suitable in all material respects for the early detection, with sufficient certainty, of developments that could jeopardise the continued existence of the Company. Moreover, the chartered accountant formally verified that the disclosures required under Section 162 (1) and (2) of the German Stock Corporation Act (AktG) – insofar as applicable due to the legal form of organisation – had been provided. The auditor respectively issued an unreserved Independent Auditor's Report.

Furthermore, as part of the voluntary audit of the Group Sustainability Statement, the auditor determined that, based on the audit procedures performed and the audit evidence obtained, no issues have come to its attention that cause it to believe that the accompanying Group Sustainability Statement is not prepared, in all material matters, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Section 315 in conjunction with Sec. 289c to 289e of the German Commercial Code (HGB) for a non-financial Group statement and with the more specific criteria set out by the company's legal representatives. This audit opinion includes that no matters have come to be known that lead to believe that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process performed by the company to identify information to be included in the Group Sustainability Statement (the materiality analysis) is not, in all material respects, consistent with the description set out in the section 'IRO-1 Description of the process for determining and assessing the material impacts, opportunities and risks' of the Group Sustainability Statement, or that the information contained in the section 'EU Taxonomy Regulation of the Sto Group' of the Group Sustainability Statement does not, in all material respects, comply with Article 8 of Regulation (EU) 2020/852.

The annual and consolidated financial statements of the company, the management report and Group management report

including the Group sustainability statement, the auditor's reports and the statements not to be audited by the auditor and to be published in the annual report and the remuneration report were available to all Supervisory Board members in a timely manner. The Audit Committee reviewed these documents in its meeting held on 23 April 2025. In advance of the committee and Supervisory Board meeting, other preliminary examinations and explanatory meetings were held between the Executive Board of the personally liable partner STO Management SE, the Chairperson of the Supervisory Board, and the Chairperson of the Audit Committee to discuss key audit matters. At the Supervisory Board meeting on 24 April 2025, the financial statements, reports, and declarations were discussed and reviewed in detail. Auditor representatives were present at both meetings to report on the audit results and provided additional information when requested – even without the Executive Board of the personally liable partner STO Management SE. They confirmed the effectiveness of the monitoring system within the meaning of Section 91 (2) of the German Stock Corporation Act. In addition, the auditors provided a written assurance in the audit reports in accordance with Section 321 (4a) German Commercial Code (HGB) that they have complied with the applicable independence requirements for the audit of the annual and consolidated financial statements.

For the Dependent company report, the auditor issued the following Independent Auditor's Report: 'Following our audit and assessment in accordance with professional standards, we confirm that 1) the factual information in the report is correct, 2) the consideration given by the Company for the legal transactions listed in the report was not inappropriately high or disadvantages were compensated for, 3) there are no circumstances in the measures listed in the report that would indicate a materially different assessment than that of the legal representative'.

There were no objections to the Supervisory Board's own comprehensive audit of the annual and consolidated financial statements, the management report and Group management report, including the Group sustainability statement of Sto SE & Co. KGaA integrated into the Group management report, as well as the statements published in the annual report that were not to be audited by the auditor, and the remuneration report. The Supervisory Board approved the annual financial statement of Sto SE & Co. KGaA prepared by the Executive Board of the personally liable partner STO Management SE, and the consolidated annual statement for 2024 in accordance with Section 171 of the German Stock Corporation Act (AktG), as well as the dependent company report. At the Annual General Meeting on 18 June 2025, it will propose the approval of the annual financial statement of Sto SE & Co. KGaA for the 2024 financial year and the approval of the remuneration report prepared and audited in accordance with Section 162 of the German Stock Corporation Act (German Stock Corporation Act).

The Supervisory Board agrees with the proposal of the personally liable partner STO Management SE to recommend a dividend payout of EUR 21,036,780.00 at the Annual General Meeting. Accordingly, the limited preference shareholders are to receive a basic dividend of EUR 0.31 and a bonus of EUR 3.00, i.e. a total of EUR 3.31 per share, and the limited ordinary shareholders are to receive a basic dividend of EUR 0.25 and a bonus of EUR 3.00, i.e. a total of EUR 3.25 per share.

**Personnel-related matters**
Due to the rotation- and age-related retirement of Dr Neumann-Schäfer, who left the Supervisory Board as a member to be elected by the shareholder representatives at the Annual General Meeting of Sto SE & Co. KGaA on 19 June 2024, Mr Wöhrle was newly elected to the Supervisory Board on this date. He was also elected to the chairmanship of the Audit Committee. The respective composition of the Supervisory Board and its committees is shown in the meeting matrix and the introductory overview.

On behalf of the entire Supervisory Board, I would like to especially thank the employees of Sto SE & Co. KGaA and the members of the Executive Board of the personally liable partner STO Management SE for their renewed high level of commitment and dedication in the 2024 financial year. We wish the entire team success and, above all, good health for the tasks ahead and for mastering the major challenges in the current year 2025.

Stühlingen/Germany, 24 April 2025



**Peter Zürn**
Chairperson of the Supervisory Board
of Sto SE & Co. KGaA

20250904057714



The Supervisory Board of Sto SE & Co. KGaA (from left): Klaus Dallwitz, Catharina van Delden, Barbara Meister, Petra Hartwig, Rolf Wöhrle, Peter Zürn, Niels Markmann, Frank Heßler, Dr Kirsten Stotmeister, Thade Bredtmann, Maria H. Andersson and Prof Dr Klaus Peter Sedlbauer.
Photo: Sto SE & Co. KGaA

# The Sto share

## Sto limited preference share data

| | |
|---|---|
| Ticker symbol | STO3 |
| ISIN | DE0007274136 |
| WKN | 727413 |
| Share category | Non-voting preference share |
| Market segment | Regulated market |
| Level of transparency | General Standard |
| Sector according to Deutsche Börse AG | Construction |
| Subsector according to Deutsche Börse AG | Building materials |
| Number of limited preference shares | 2,538,000 |
| Number of non-listed limited ordinary shares | 4,320,000 |

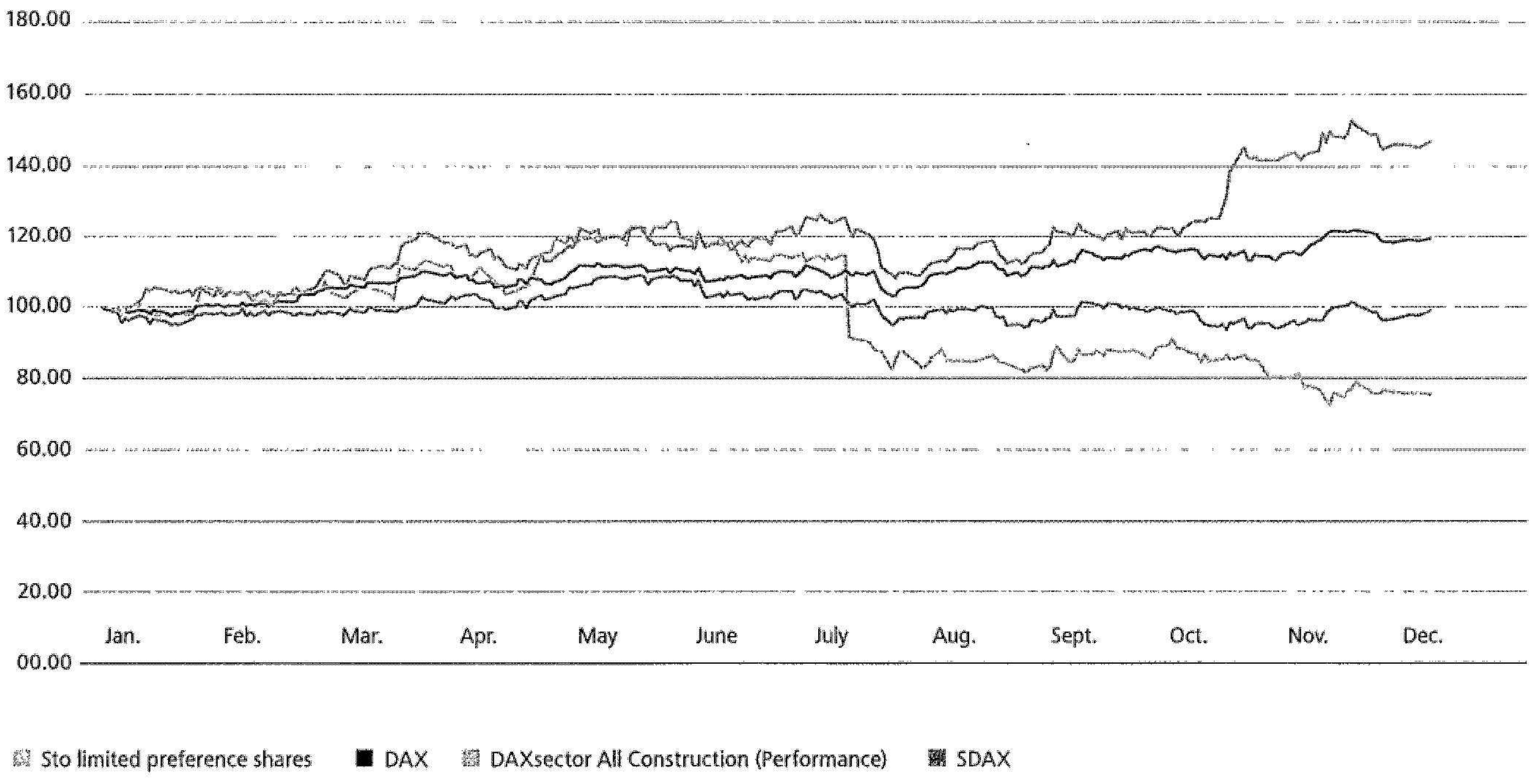
### International stock markets soar in 2024

Despite the numerous geopolitical trouble spots and economic uncertainties, the mood on the international stock markets was very good in 2024. Even the economic development in China, which fell short of expectations, and the weak economy in the eurozone, particularly in Germany, were unable to slow the upward trend. Supported by the further decline in inflation, numerous share indices reached new record highs. In the USA, the S&P 500 exceeded the 6,000 point mark for the first-time and rose by around 23 % over the course of the year. The Euro Stoxx 50 nevertheless recorded an increase of around 8 %.

In December 2024, after a continuous upward trend, Germany's leading index, the DAX, climbed above the 20,000-point threshold for the first-time, recording growth of almost 19 % over the course of the year. In contrast, the SDAX, which mainly lists medium-sized companies that are on average more affected by the weak German economy, remained 1.8 % below the previous year's level. The Construction sector index performed surprisingly well, increasing by around 44 % year-on-year.

### Share price trend in the 2024 financial year

(indexed as at 29 December 2023 = 100), Frankfurt stock exchange, XETRA



20250905715

## Sto share with significant losses

The Sto share rate initially moved in line with the markets in 2024, reaching its high for the year of EUR 173.60 at the beginning of June. Following the announcement of our downwardly revised forecast in July, the share fell sharply in value. This was followed by a further downward trend – also as a result of the second forecast change in November – which saw the low for the year of EUR 102.60 reached at the beginning of December. At the end of 2024, the Sto preference share was listed at EUR 107.00 in the electronic trading system XETRA of the Frankfurt Stock Exchange, which corresponded to a decline of 23.5 % compared to the previous year's closing price of EUR 139.80.

In 2024, the market capitalisation of 2.538 million Sto limited preference shares fell from around EUR 354.8 million to EUR 271.6 million year-on-year.

## Consolidated earnings

The Sto Group's earnings in 2024 were significantly below the previous year's value, in particular due to the lower turnover volume and the negative effects on earnings from the development of several Group companies. In order to take countermeasures and reduce costs across the Group, a comprehensive cost-cutting programme was introduced at the beginning of the second half of the year. The Sto Group's EBIT fell from EUR 126.5 million to EUR 58.8 million in 2024, and earnings after taxes totalled EUR 37.6 million (previous year: EUR 85.8 million).

Diluted and basic earnings were EUR 5.89 per limited preference share (previous year: EUR 13.43) and EUR 5.83 per limited ordinary share (previous year: EUR 13.37).

## Dividend

In 2024, the parent company Sto SE & Co. KGaA reported earnings before income taxes of EUR 55.8 million (previous year: EUR 91.8 million) and a net profit for the year in the amount of EUR 45.2 million (previous year: EUR 69.5 million) in accordance with the accounting principles of the German Commercial Code (HGB).

The Executive Board of the personally liable partner STO Management SE and the Supervisory Board of Sto SE & Co. KGaA will propose to the Annual General Meeting on 18 June 2025 a reduced dividend payout totalling EUR 21,036,780.00 (previous year: EUR 31,896,720.00), which will be made from the net income of Sto SE & Co. KGaA calculated in accordance with the German Commercial Code (HGB) in the amount of EUR 46.1 million: the limited preference shareholders are to receive an unchanged ordinary dividend of EUR 0.31 and a bonus of EUR 3.00 (previous year: EUR 4.69), i.e. a total of EUR 3.31 per share. An ordinary dividend of EUR 0.25 and a bonus of EUR 3.00 (previous year: EUR 4.69), i.e. a total of EUR 3.25 per share, will again be paid out to the limited ordinary shareholders. Measured against the 2024 year-end closing price of EUR 107.00, this results in a dividend yield of 3.1 % per limited preference share.

### Sto limited preference share key figures

| | 2024 | 2023 |
|---|---|---|
| Earnings per preference share | 5.89 | 13.43 |
| Cash flow from operating activities | 14.09 | 26.60 |
| Equity | 115.70 | 113.49 |
| Dividend payout per limited preference share dividend | 0.31 | 0.31 |
| Special bonus* | + 3.00 | + 4.69 |
| Share price at year end** | 107.00 | 139.80 |
| Year high** | 173.60 | 190.60 |
| Year low** | 102.60 | 118.20 |
| PER (31 Dec) | 18.17 | 10.41 |
| PER (high) | 29.47 | 14.19 |
| PER (low) | 17.42 | 8.80 |
| Capitalisation of preference shares on 31 Dec (in EUR millions) | 271.6 | 354.8 |

Values per share in EUR

* 2024: proposal by the personally liable partner STO Management SE and the Supervisory Board of Sto SE & Co. KGaA
** XETRA closing price

## Trading volume in 2024

In the 2024 financial year, a total of 659,542 limited preference shares in Sto SE & Co. KGaA changed hands in the Frankfurt Stock Exchange's electronic system XETRA, compared to 691,499 in the previous year.

## Shareholder structure

As at 31 December 2024, the 2.538 million Sto limited preference shares were free float. The number of non-listed limited ordinary shares remained unaltered at 4.320 million. 90 % of these were held by the Stotmeister family via Stotmeister Beteiligungs GmbH. As at the reference date, the remaining 10 % were held by Sto SE & Co. KGaA.

# Management report for the Sto Group (IFRS)



20250904057716

**Members of the Executive Board of STO Management SE in the financial year of 2024**
(personally liable partner of Sto SE & Co. KGaA)

**Rainer Hüttenberger**
Stein am Rhein/Switzerland, Chief Executive Officer; responsible for Sales Sto Brand International, Business Field Organisation, Corporate Strategic Development, M&A, and the Business unit Industry;
Member of the Executive Board since 1 April 2011

**Michael Keller**
Bonndorf/Germany, deputy Chief Executive Officer; responsible for Brand Sales Sto Germany, Distribution, Marketing Communications, Sustainability and Central Services;
Member of the Executive Board since 1 July 2015

**Désirée Konrad**
Horb am Neckar/Germany, Chief Financial Officer; responsible for Finance, Controlling, Information Technology, Internal Audit, Investor Relations, Legal, and Technical Service;
Member of the Executive Board since 1 September 2023

**Jan Nissen**
Bad Dürrheim/Germany, Chief Technology Officer *(until 31 December 2024)*; responsible for Process Engineering, Innovation, Materials Management, and Logistics;
Member of the Executive Board since 1 January 2017

**Jost Joseph Bendel**
Nuremberg/Germany, Deputy Chief Technology Officer (1 September 2024 to 31 December 2024, Chief Technology Officer since 1 January 2025); responsible for Process Engineering, Innovation, Materials Management and Logistics;
Member of the Executive Board since 1 September 2024

The STO Management SE Executive Board (from left):
Rainer Hüttenberger, Michael Keller, Désirée Konrad,
Jost Joseph Bendel and Jan Nissen.
Photo: Martin Baitinger,Böblingen/Germany

# The 2024 financial year at a glance

- Difficult market conditions burden the Sto Group's business development
- Revised turnover and earnings forecast achieved
- Consolidated turnover decreases by 6.2 % to EUR 1,612.3 million in 2024; losses in Germany and outside of Germany
- Consolidated earnings significantly declining: EBIT down 53.5 % to EUR 58.8 million and EBT down 52.2 % to EUR 60.9 million; return on sales at 3.8 %
- Comprehensive cost-cutting programme implemented
- Cash flow from operating activities amounts to EUR 90.5 million (previous year: EUR 170.9 million)
- Group's workforce reduced by 184 to 5,599 employees worldwide year-on-year
- Outlook for 2025: Sto anticipates a Group turnover of EUR 1.57 billion and an EBIT of between EUR 51 million and EUR 71 million

# A. Group fundamentals

**Businessmodel**[1]

The Sto Group is a significant international producer of products and systems for coating buildings. Our business model is based on a high level of expertise, quality and customer benefit.

Our product range is divided into four product groups: the core business of **facade systems** includes a wide range of external wall insulation systems (EWIS), which make a significant contribution to energy efficiency and thus to the sustainability of buildings. Sto is the world market leader in this field. In addition, ventilated rainscreen cladding systems (RSC) are part of the product group that contributed 46.5 % to the Group's consolidated turnover in the year under review. The **facade coatings** product group comprises render and paint systems for exteriors and accounted for a 24.0 % share of consolidated turnover. The third product group, **interior products**, with a 15.0 % share of turnover, consists of plaster and paint systems, for example for home and office interiors, decorative coatings, interior panelling and acoustic systems for regulating room sound. In addition, Sto produces and sells high-quality floor coatings, products for concrete repair and further items which are allocated to Other product groups. They accounted for 14.5 % of consolidated turnover in the past year.

The individual components of the product range, particularly in the core business of facade systems, are optimally coordinated and complement each other ideally with the other product groups. For example, different insulation materials can be combined with alternative coating materials or facade claddings and design services. This **skill-set**, a key success factor for the Sto Group, helps to ensure the long-term

[1] The chapters 'Business model' up to and including 'Customers and distribution system' contain the disclosures typical of the management report, which also deal with the Disclosure Requirement [ESRS 2 SBM-1] of the ESRS.

## StoTherm AimS® with StoPrep Miral AimS®

The innovative AimS product family and the StoTherm AimS system have been expanded to include a new member: StoPrep Miral AimS is an undercoat whose binder is based on around 30 per cent renewable raw materials (pine oil). The material, which can be used on mineral and organic plaster substrates, is particularly water vapour permeable, which raises the reliability of results on rendered facades. StoPrep Miral AimS is the first dispersion silicate undercoat for finishing renders of this quality. It reduces mineral efflorescence from the base coat and is free from solvents and plasticisers (VdL-RL01).

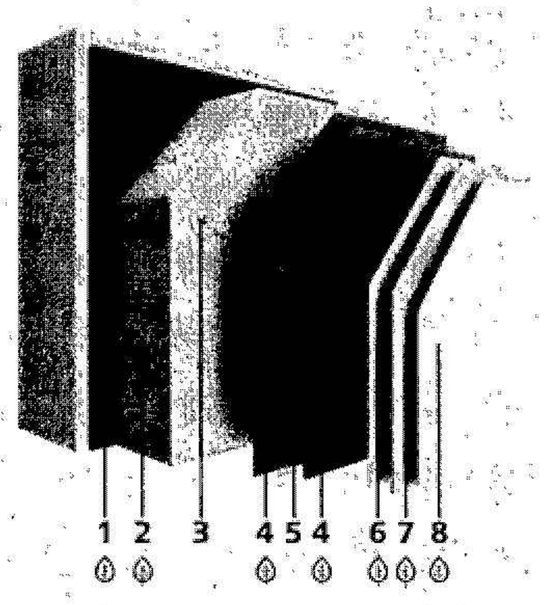



Diagram: Sto SE & Co. KGaA

**1 — Bonding**
StoLevell Neo AimS®
**2 — Insulation**
Sto-Soft Fibre Board M 039
**3 — Fixing**
Sto-Thermo Anchor II UEZ 8/60
**4 — Base coat:**
StoLevell Neo AimS®
**5 — Reinforcement**
Sto-Glass Fibre Mesh
**6 — Intermediate coat:**
StoPrep Miral AimS®
**7 — Finishing coat**
Stolit AimS®
**8 — Paint coat (optional)**
StoColor Lotusan AimS®

2025090405717




conservation of the value of buildings. The system concept also raises processing efficiency and at the same time allows building owners maximum individual design freedom.

"sto", our successfully established **international product brand** is another pillar of the business model. It is based on the four core brand values 'Close', 'Experienced', 'Performing', and 'Advanced', and serves as the foundation for our globally unified image.

The positive image of the brand[2] and the Sto Group's continuous progress are based on the company's **capacity for innovation**, which we strengthen through intensive research and development activities. In this way, we not only support the technology leadership we strive for, but also regularly open up new growth areas for the Group. Our corporate vision 'Technology leader in the sustainable design of living spaces tailored to human needs. Worldwide.' symbolises this orientation. Our success is reflected, among other things, in the award of 'world market leader for external wall insulation systems', which we have received for the sixth time. It is based on the annual World Market Leader Index compiled in co-operation with the magazine WirtschaftsWoche[3].

## Group structure

Sto SE & Co. KGaA, based in Stühlingen, Baden-Württemberg/Germany, assumes all holding functions as the Group's parent company. It is also responsible for the operational business with facade systems and coatings as well as interior products in Germany.

The business activities of the Sto Group are divided into three regional segments: **Western Europe, Northern/Eastern Europe, and America/Asia/Pacific.** This is the primary focus of the Group management.

In **Germany**, there are another eight main companies that are members of the Sto Group alongside Sto SE & Co. KGaA, which all specialise in different areas and product segments. **Outside of Germany**, business is predominantly conducted by operationally independent national companies. Their range is geared to the respective local conditions, and in some cases they produce locally. The remaining products are largely sourced via the Group organisation. A list of all subsidiaries of Sto SE & Co. KGaA is reproduced in the Notes to the consolidated financial statements.

The New Zealand company Stoanz Ltd, Wellington, which was acquired by Sto SE & Co. KGaA with effect from 1 April 2024, was consolidated for the first-time in the 2024 financial year. Stoanz has been Sto's exclusive sales partner in New Zealand since 1996 and is mainly active in the facade business. Since the end of 2024, the British company Sto Ltd., Paisley/Great Britain, has no longer been included in the companies consolidated in the Sto Group.

[2]Architects' Darling Award from 7 November 2024.
[3]Published in the magazine WirtschaftsWoche from 6 November 2024.

The four product groups (facade systems, facade coatings, interior products and Other) are each overseen by a **product management team.** It is globally responsible for the products and systems as well as for the strategic positioning of the product range. The respective marketing and sales objectives are coordinated with the relevant subsidiaries so that specific, sometimes significantly deviating requirements in the individual markets can be taken into account and the needs in the regions can be addressed in a targeted manner.

Central units within the Sto Group, such as technical service or strategic marketing, support the subsidiaries and product groups. This enables efficient, global management, warrants the targeted further development of the service portfolio and at the same time ensures flexible adjustment to market requirements.

**Sales markets**
In the 2024 financial year, a total of 77.1 % of the Sto Group's consolidated turnover was generated in **Western Europe** (including Germany), the most significant sales region. The largest individual market, Germany, accounted for 40.5 %. The share of sales in the **Northern/Eastern Europe** region was 9.9 % and in **America/Asia/Pacific** 13.0%.

The systematic development and penetration of new markets is one of Sto's strategic growth initiatives. The increasing internationalisation of our business activities enables us to benefit from existing sales opportunities worldwide and at the same time spread the entrepreneurial risk. At the end of 2024, the Sto Group was represented in 35 countries with 49 subsidiaries of our own and their operating sites. In many other regions, we also maintain supply partnerships via distribution partners.

Sto products are used both in the construction of new buildings and in the renovation of existing buildings all around the world. The significance of these market areas for the Sto Group varies from region to region and depends on country-specific conditions.

**Customers and distribution system**
The product range of the 'sto' brand is largely marketed via a direct sales organisation with its own permanent employees. This system, which covers almost the whole of Germany, is aimed at professional customers such as painters, plasterers and construction companies. Architects, planning offices, and the real estate industry are also served directly.

At the same time, Sto has been building up a **multi-level distribution** system via wholesalers and specialist retailers for several years in order to tap into additional customer groups and distribution channels. We use this second distribution channel to offer selected products that are distinct from our core business, such as trim paints and fillers with their own brand positioning.

**Business management control system**
The personally liable partner STO Management SE is responsible for managing the business of Sto SE & Co. KGaA and the Sto Group. It is represented by its Executive Board, which develops the Group strategy and ensures its implementation. The parent company Sto SE & Co. KGaA, the segments and the subsidiaries are managed on the basis of strategic and operational guidelines and financial covenants. They are based on uniformly determined business data across the Group and are part of a standardised reporting system.

The most important operating control parameters in the Sto Group are the key figures **net turnover, EBIT, EBT** and **return on sales**. They form the basis for the planning and controlling processes. In addition, **ROCE** (return on capital employed) is used as a measure of the return on capital employed. It is based on the EBIT divided by the average capital employed.[4]

The reports prepared as part of the reporting process are sent to the Executive Board of STO Management SE, which forwards the relevant information to the Sto Supervisory Board. In addition, regular management meetings are held between the Executive Board of the personally liable partner and those responsible for the subsidiaries of Sto SE & Co. KGaA and the sales regions. This system underpins the decentralised entrepreneurial responsibility of the local workforce and at the same time promotes transparency within the Sto Group.

In addition to the internal key figures, we regularly monitor external early indicators as part of our planning processes and for Group and risk management purposes. This primarily includes global economic data and sector information.

**Corporate governance statement/Non-financial statement**
The specifications relating to the combined Corporate governance statement, as outlined in Sections 315d, 289f, 289a, and 315a of the German Commercial Code (HGB), and the explanations by the personally liable partner can be found in the Corporate governance report. It is part of the annual report. In addition, this information is published online at www.sto.de, where it can be found under the 'Corporate Governance & Compliance' category in the 'Investor Relations' section. The Group management report is supplemented by the non-financial statement in accordance with Section 315b of the German Commercial Code (HGB), which is included in the separate sustainability statement that forms part of this management report.

With our sustainability strategy, we pursue a holistic approach that extends to all areas of influence within the Group and is implemented at all stages of the value chain.

[4] ROCE = EBIT divided by average capital employed. Capital employed = Intangible assets + Property, plant, and equipment + Rights of use + Inventories + Trade receivables ./. Trade payables Balance sheet values are calculated on the basis of an arithmetic average value of the respective reporting date values at the end of the month for the respective period.

20250904057 18

Our sustainability activities are based on a materiality assessment in which we analysed the positive and negative impacts of our corporate activities on the economy, the environment and people, as well as on the Sto Group itself. The results were used to identify key issues and compare the sustainability measures with the United Nations' 17 Sustainable Development Goals (SDGs). This resulted in six target areas for sustainable development within the Sto Group:

- Climate change mitigation
- Environmental protection
- Circular economy
- Health and well-being
- Transparency and social responsibility
- Employees

The sustainability statement provides information on key activities in the material fields defined for Sto as well as the statutory disclosures required by the EU Taxonomy Regulation. The application of these topics and the reference to the reportable aspects of environmental matters, employee matters, social matters, respect for human rights and combating of corruption and bribery in accordance with DRS 20 can be found in the Sustainability Statement 2024, which is part of this management report. It voluntarily fulfils the reporting on sustainability at Sto in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

**Fundamentals of the remuneration system**

Due to its legal form, Sto SE & Co. KGaA does not have an Executive Board. Business is conducted by the personally liable partner STO Management SE, which is the sole member of the management body of Sto SE & Co. KGaA in accordance with Section 287 (2) of the German Stock Corporation Act (AktG). In accordance with Section 6 ( 3) of the Articles of Association of Sto SE & Co. KGaA, STO Management SE receives an expense allowance for the management of its business. The remuneration that is paid to the members of the STO Management SE management body as part of this expense allowance comprises both a fixed and a variable component. The variable component can consist of a larger share, although it is capped at a maximum. The variable element consists of a long-term incentive which is based on the turnover development of the Sto Group and the ROCE key figure of the past three financial years in comparison to the target for this period, as well as a short-term incentive for the current financial year that is dependent on the earnings after taxes that were modified in the year under review. No stock options are granted.

The members of the Supervisory Board of Sto SE & Co. KGaA receive a fixed annual remuneration in accordance with Article 11 of the Articles of Association of Sto SE & Co. KGaA. In addition to this, members of the Supervisory Board also receive annual remuneration for being the Chairperson or Deputy Chairperson of the Supervisory Board as well as for being the Chairperson or an ordinary member of a committee.

Further information on the remuneration of the company's administrative bodies can be found in the remuneration report in accordance with Section 162 of the German Stock Corporation Act and in the Notes to the consolidated financial statements.

**Strategic objectives**

The Sto business model is oriented towards long-term success. In our view, this relies on sustainable, solid business management, constant progress, and a financially strong basis. Our corporate vision is: We strive to be the global technology leader in the sustainable design of living spaces tailored to human needs. We achieve this goal by implementing our mission of 'Building with conscience.', which has been in force since 1988.

Sto's corporate vision and other principles on which our practice is based are defined in our Guiding Principles, which provide guidance for all strategic and operational decisions. The principles defined here determine the objectives of our Strategy 2025:

- **Sustainable, profitable growth that protects capital**
  – To achieve this goal, we focus on the following three dimensions:

- **Customer focus** – We are an expert, reliable, and flexible partner, and stand for excellent products and services, as well as perceptible sustainability. We offer our customers various options for easy and reliable business transactions.

- **Performance potential** – With our segmented, efficient distribution organisation, we consistently tap market potential all around the world. Based on our product and system portfolio, we develop convincing, differentiating complete solutions along the value chain of our target groups in the future. Integrated, standardised processes – implemented or supported digitally whenever appropriate – are the prerequisite for cost efficiency and productivity.

- **Committed employees** – We increase the commitment of our employees by systematically and purposefully developing their skills. In order for the strategy to be implemented successfully, it is very important for the corporate culture to be characterised by a willingness to embrace change, which is fostered worldwide. Highly motivated, committed employees convey and ensure the attractiveness of the Sto Group.

We are realising these targets by focusing on three areas: accelerating growth, increasing profits and expanding core competencies. The topic of sustainability is incorporated into measures and initiatives within the Sto Group. Our activities are geared towards this core competence.

As the planning horizon of the current strategy expires in 2025, a cross-departmental project team has been working on a strategy update since the end of 2024. The focus is on

the question of how the company will be positioned in the future. In light of the current general conditions, the effectiveness and appropriateness of our strategic direction will be scrutinised and realigned if necessary. A new framework until 2030 is to be defined by the end of April 2025.

# B. Financial report

## General statement on business development in 2024 and comparison with the forecast

The Sto Group's business development was significantly impacted by various factors in the year under review and remained well below the original forecast for 2024, which was set in the spring. The year under review was characterised above all by the continued weakness of the construction industry in our most important market, Germany, and in many other regions. Declining sales volumes in both the Construction of new buildings and the refurbishment sector led to a significant increase in competitive pressure.

Building permits in Germany, a material indicator of future development, were declining again in 2024, meaning that a rapid trend reversal is not to be expected. The possible effects of the building permit backlog in recent years are still open. The causes are manifold: a mix of increased construction and financing costs, which only eased slightly at the end of the year, high requirements, complicated regulations and unclear, changing statutory framework and subsidy conditions. The resulting uncertainty and reluctance on the part of potential building owners not only burden the German market. The market volume also declined in other core Sto markets such as Italy and France, particularly following the reduction in state subsidies for energy-related measures. Added to this was the difficult macroeconomic situation in many countries around the world, also as a result of geopolitical conflicts.

In the Sto Group, weather conditions also have a major influence on business development. In 2024, the application of Sto products used in exteriors was hampered, particularly at the beginning of the year and in the months of May and June, which are usually characterised by high turnover, when there was frequent rainfall in several of the Sto Group's key markets. In contrast, in December weather conditions in Western Europe were slightly better than expected.

In total, turnover in the Sto Group in 2024 decreased by 6.2 % to EUR 1.612 billion (previous year: EUR 1.718 billion) and was thus slightly above the forecast of EUR 1.60 billion, which was adjusted downwards in November (forecast July 2024: EUR 1.66 billion; original forecast April 2024: EUR 1.79 billion) due to the good weather-related business development in December. The net negative currency translation effects were slightly more than offset by the opposing first-time consolidation effects resulting from the first-time incorporation of the New Zealand company Stoanz Ltd as at 1 April 2024. The decline in turnover adjusted for these two influences also amounted to 6.2 %.

In the year under review, the Sto Group's earnings also reached the forecast range last adjusted in November 2024: EBIT fell by 53.5 % compared to the previous year

20250904057719

to EUR 58.8 million (forecast November 2024: EUR 50 million to EUR 68 million; forecast July 2024: EUR 62 million to EUR 82 million; original forecast: EUR 113 million to EUR 138 million; previous year: EUR 126.5 million), while earnings before taxes EBT fell to EUR 60.9 million (forecast November 2024: EUR 52 million to EUR 70 million; forecast July 2024: EUR 63 million to EUR 83 million; original forecast: EUR 113 million to EUR 138 million; previous year: EUR 127.4 million). The resulting return on sales in 2024 was 3.8 % (forecast November 2024: 3.2 % to 4.4 %; forecast July 2024: 3.8 % to 5.0 %; original forecast: 6.3 % to 7.8 %; previous year: 7.4 %). The most recent forecast for the return on capital employed (ROCE) was 6.6 % to 9.1 %, which was achieved at 7.8 % (July 2024 forecast: 8.1 % to 10.9 %; original forecast: 14.5 % to 17.8 %; previous year: 17.1 %).

To counteract the negative development of earnings, we initiated a cost-cutting programme at the beginning of the second half of the year, which has already led to individual savings in the last few months of 2024. Among other things, short-time work was introduced at Sto SE & Co. KGaA in November and we are pursuing a restrictive hiring and spending policy worldwide. The update of our strategic direction, which we are currently working on, is also influenced by the current general conditions, which are subject to a high level of uncertainty.

Overall, the Executive Board of STO Management SE considers the Sto Group's situation at the time of preparing the Group management report to be positive, despite the numerous risks explained in the Risk report. In our view, the opportunities for Sto described in the Opportunities report outweigh the risks in the medium- to long-term, which are currently overshadowed by the difficult market situation in several of our key core markets. For this reason, the existing potential for growth, particularly in terms of energy efficiency, in both construction of new buildings and the renovation and refurbishment of buildings, can't be utilised for the time being.

**Overall economic and sector-related general conditions in 2024**

According to preliminary calculations by the International Monetary Fund (IMF), the global economy grew by 3.2 % in 2024 (previous year: 3.3 %). The increase thus remained slightly below the average of the past two decades, which had been 3.7 %. According to the German Council of Economic Experts, the muted expansion of the global economy was primarily supported by the services sector, although industrial production also increased. In contrast, trade restrictions and geopolitical risks in particular had a restrictive effect.

According to the IMF, the economies of industrialised nations grew by 1.7 % in 2024 (previous year after final data was available: 1.7 %), while developing and emerging countries recorded an overall increase of 4.2 % (previous year after final data was available: 4.4 %). There were major differences between the significant economies: the gross domestic product (GDP) of the USA rose by 2.8 % (previous year after final data was available: 2.9 %), and in China, which was characterised by persistently low consumer confidence and the weak development of the real estate sector, GDP rose by 4.8 % (previous year: 5.2 %) thanks to high exports. In contrast, the eurozone only increased its economic output by 0.8 % (previous year according to final data: 0.4 %), with significantly better rates of growth in France and Spain, for example, contrasting with a recession in Germany.

The German economy shrank for the second year in a row in 2024. In addition to higher energy costs and high interest rates, increasing competition for German exports also prevented a revival. According to calculations by the German Federal Statistical Office (Destatis), GDP fell by 0.2 % last year (previous year: -0.3 %). Declines were recorded in the construction industry in particular, but also in manufacturing. According to the German Council of Economic Experts, there are both economic and structural reasons for the weak domestic development: the great uncertainties regarding general economic and political developments dampened private consumption and industry's willingness to invest in particular, while the higher production costs compared to other countries combined with weak productivity development weakened competitiveness.

**International trends for the construction sector**

According to the Federal Statistical Office, incoming orders in real terms (adjusted for price changes)in the **German main construction sector** fell by 0.7 % in 2024 compared to the previous year. In nominal terms (not adjusted for price changes), they rose by 1.1 %. In building engineering, the decline in real terms was 5.0 % (nominal: -4.0 %), with orders in residential construction falling by 3.5 % (nominal: -2.4 %) and in non-residential construction by 5.8 % (nominal: -4.8 %). Civil engineering benefited from large orders – incoming orders increased by 3.4 % in real terms (nominal: +5.7 %). Turnover in real terms in the German main construction sector fell by 1.0 % compared to 2023, while it grew slightly by 0.8 % in nominal terms.

The number of building permits for flats, an important early indicator of future construction activity, once again fell significantly in Germany by 16.8 %. According to the Federal Statistical Office, building projects fell for the third year in a row and reached their lowest level since 2010. By building type, the number of building permits for single-family/two-family houses (-20.3 %) fell much more sharply than for two-family houses (-11.3 %). Around two thirds of the new flats approved in Germany in 2024 will be built in multifamily dwellings. Here, the number of building projects fell by 19.7 % compared to the previous year.

Domestic sales volumes in the decorative paints sub-segment fell by 5 % in 2024, which, according to the Verband der deutschen Lack- und Druckfarbenindustrie e.V. (Association of the German Paint and Printing Ink Industry), was partly due to declining turnover in residential construction. The difficult

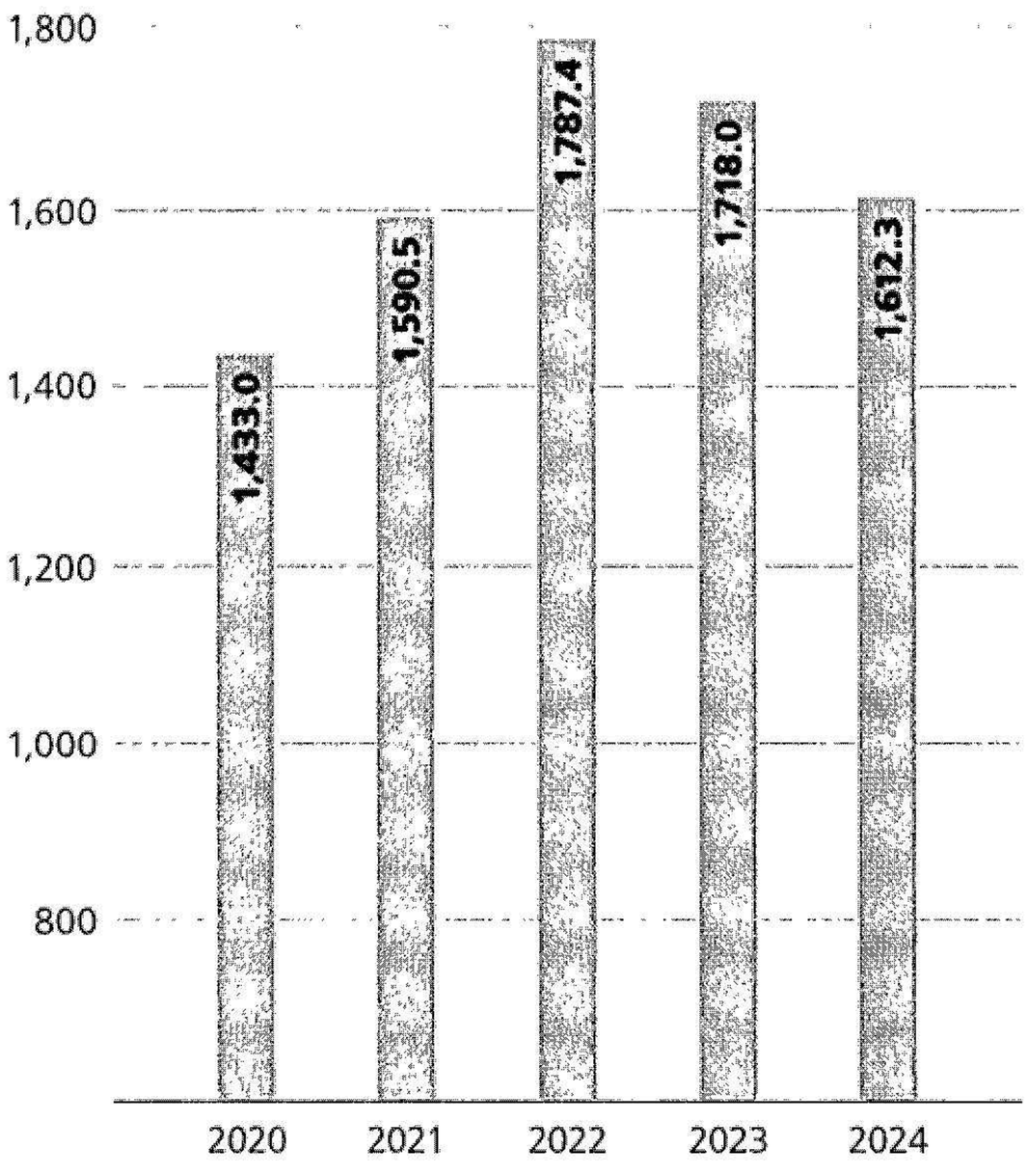
situation was particularly evident in the professional sector, where sales fell by 6 %. The Do-It-Yourself segment, in which the "sto" brand is not positioned, recorded a decline of 4 %. The negative trend in the market for external wall insulation systems continued, albeit to a somewhat lesser extent: following a decline of 15.3 % in the previous year, sales in Germany fell by 8.2 % in 2024, according to market research institute B+L Marktdaten GmbH.

According to the Euroconstruct network, construction output in **Europe** has fallen slightly: in their December projection, the experts forecast a decline of 2.4 % for 2024, when the low point is expected to be reached. This was mainly due to external factors such as the ongoing war in Ukraine and internal reasons that inhibited construction activity and propensity to invest. These included high interest rates and energy prices as well as rising labour costs. New residential construction recorded the sharpest decline in the European construction market in 2024. The market for home renovations also declined, albeit to a lesser extent. Non-residential construction also shrank slightly, while civil engineering increased due to urgently needed investments in transport networks and energy infrastructure. According to Eurostat, EU-wide production in the construction industry fell by 1.3 % in 2024 compared to the previous year.

According to GTAI (Germany Trade & Invest), the **US construction sector** was on the upswing in 2024. According to calculations by the Office for National Statistics, construction output rose by a nominal 9 % in the first seven months compared to the previous year. Private residential construction, which accounts for almost half of construction output in the USA, also benefited from the reserve bank's interest rate reversal and falling prices for building materials. According to the GTAI (Germany Trade & Invest), the value of newly started residential construction projects could have increased by 11.2 % in 2024.

The general economic conditions in **China** remained very tense. In 2024, the Chinese economy recorded its weakest GDP increase in decades – with the exception of the years of the coronavirus pandemic. The property crisis in particular caused problems for the world's second-largest economy, although the government initiated numerous actions to counteract this.

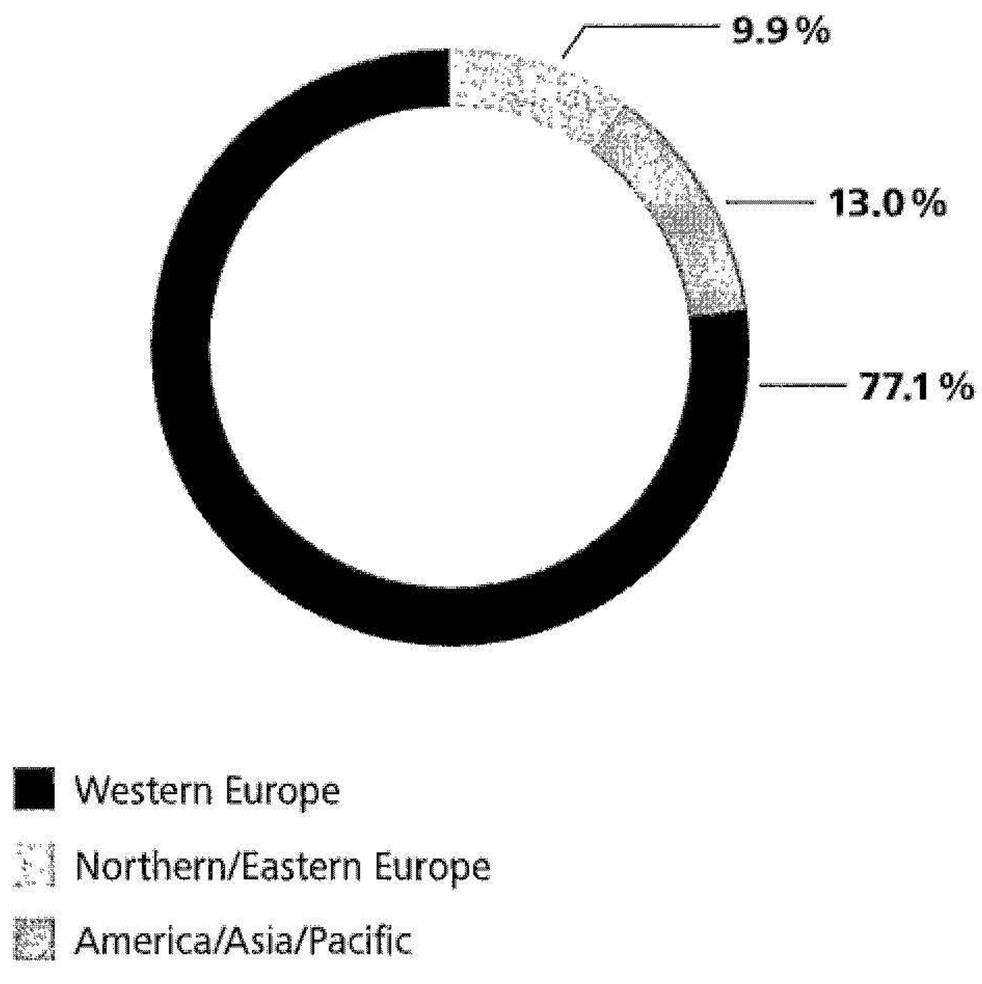
**Sto Group turnover**
in EUR million




## Income situation

In the 2024 financial year, the Sto Group's turnover totalled EUR 1,612.3 million (previous year: EUR 1,718.0 million) and was thus 6.2 % below the previous year's level. Currency translation effects had a net negative impact of EUR 2.3 million. In comparison to the previous year, the Turkish lira, the Chilean peso and the Hungarian forint in particular depreciated, while the Polish zloty and the Swiss franc, among others, developed positively. The first-time consolidation of Stoanz Ltd, Wellington/New Zealand, which has been included in the scope of consolidation since 1 April 2024, resulted in turnover in EUR million of EUR 3.9 million. Adjusted for all currency and first-time consolidation effects, the Sto Group's decline in turnover remained unchanged at 6.2 %.

**Sto Group segment turnover**
in %



20250904057720

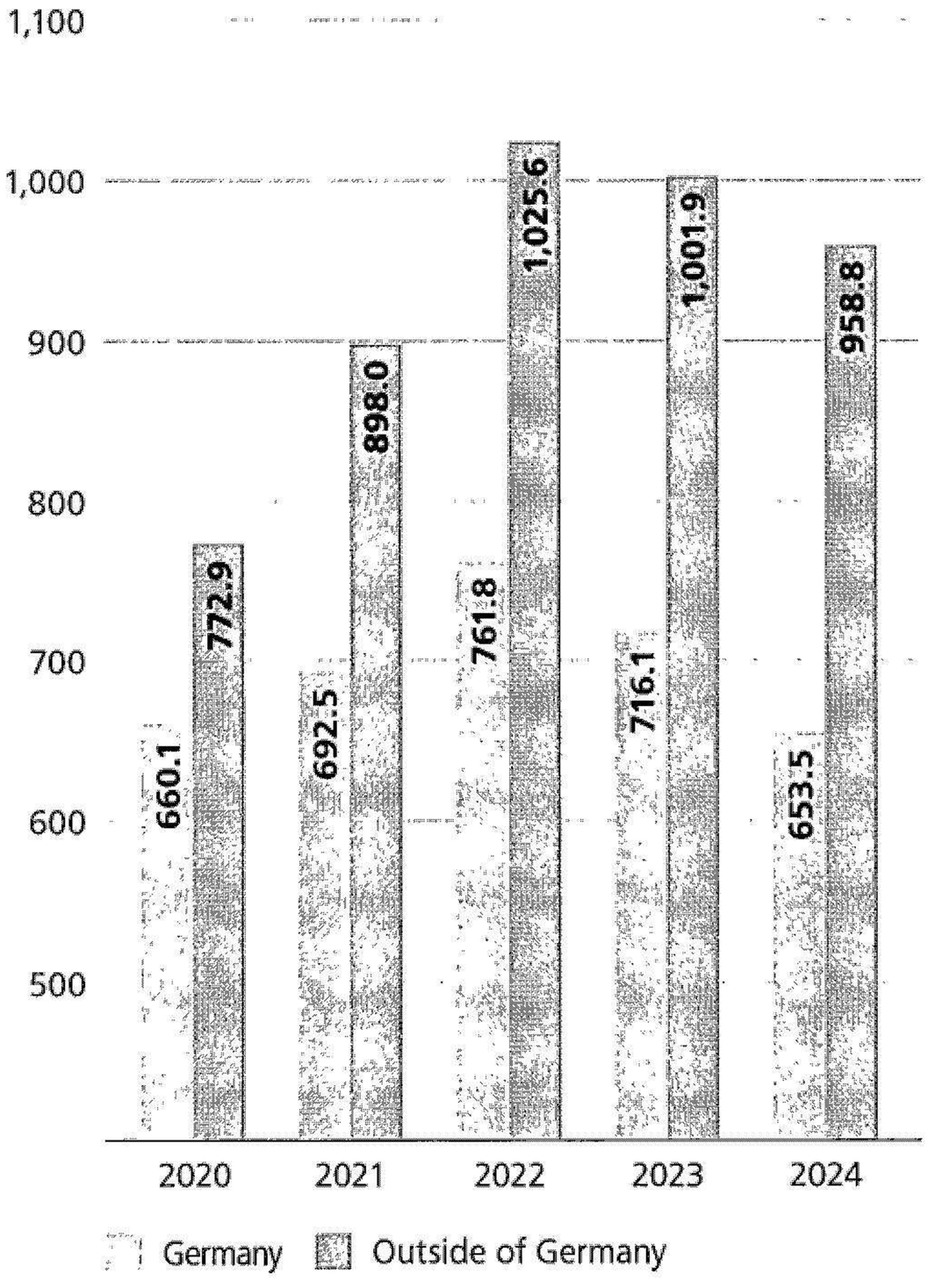
**Segments**
The turnover volume in the segment of **Western Europe** – including Germany – decreased by a total of 7.8 % to EUR 1,243.4 million in 2024 (previous year: EUR 1,348.4 million). In addition to the restrained demand in Germany, the largest market, which was particularly evident in multi-storey residential construction and the prefabricated house business, the weak development also resulted from amendments to government support programmes. The cuts were particularly severe in Italy and France, two countries that are significant for Sto. Significant changes were made to the subsidy programmes for energy-efficient building refurbishment measures, which had seen strong growth in recent years, and subsidies were reduced. The turnover volume in many other Western Europe Sto companies was also down – in some cases significantly – on the previous year.

In the **Northern/Eastern Europe** segment, the weak economy was the main factor affecting business development. In Sweden in particular, construction activity was declining significantly. Compared to the same period of the previous year, segment turnover in 2024 decreased by 2.9 % to EUR 159.9 million (previous year: EUR 164.7 million). In Türkiye, the national company's business development was also impacted by hyperinflation.

The business volume in the **America/Asia/Pacific** segment increased by a net 2.0 % to EUR 209.0 million (previous year: EUR 204.9 million), with the individual regions showing strongly contrasting trends: business activities developed positively in most American associates and particularly in the USA, where the construction industry benefited from government economic measures, among other things. In contrast, turnover at the Canadian national companies fell significantly. In the Pacific region, growth was achieved through the first-time consolidation of the New Zealand company. The business volume of the Chinese national companies remained strongly declining. Here, the burden resulting from the real estate crisis intensified and, contrary to expectations, the market environment failed to stabilise.

The **turnover generated outside of Germany** by the Sto Group in 2024 decreased by 4.3 % to EUR 958.8 million (previous year: EUR 1,001.9 million). Adjusted for currency translation and first-time consolidation effects, the decline amounted to 4.5 %. Turnover in EUR million in the **German** market was significantly lower than the previous year's value, falling by 8.7 % to EUR 653.5 million (previous year: EUR 716.1 million). Compared to 2023, the share of Group turnover generated outside of Germany increased from 58.3 % to 59.5 %.

**Sto Group turnover in Germany and outside of Germany**
in EUR million




**Product groups**
In the largest product group, **facade systems**, the Sto Group's turnover fell by 8.1 % to EUR 750.3 million (previous year: EUR 816.8 million). In addition to the weak new construction business, the declining renovation measures also made themselves felt. Due to the unclear funding policy in Germany and the resulting planning uncertainty as well as several plan curtailments in funding programmes outside of Germany, numerous refurbishment projects have been postponed. The unfavourable financing conditions also contributed to the lack of a turnaround in the external wall insulation system market as a whole and thus in the Sto Group's facade business.

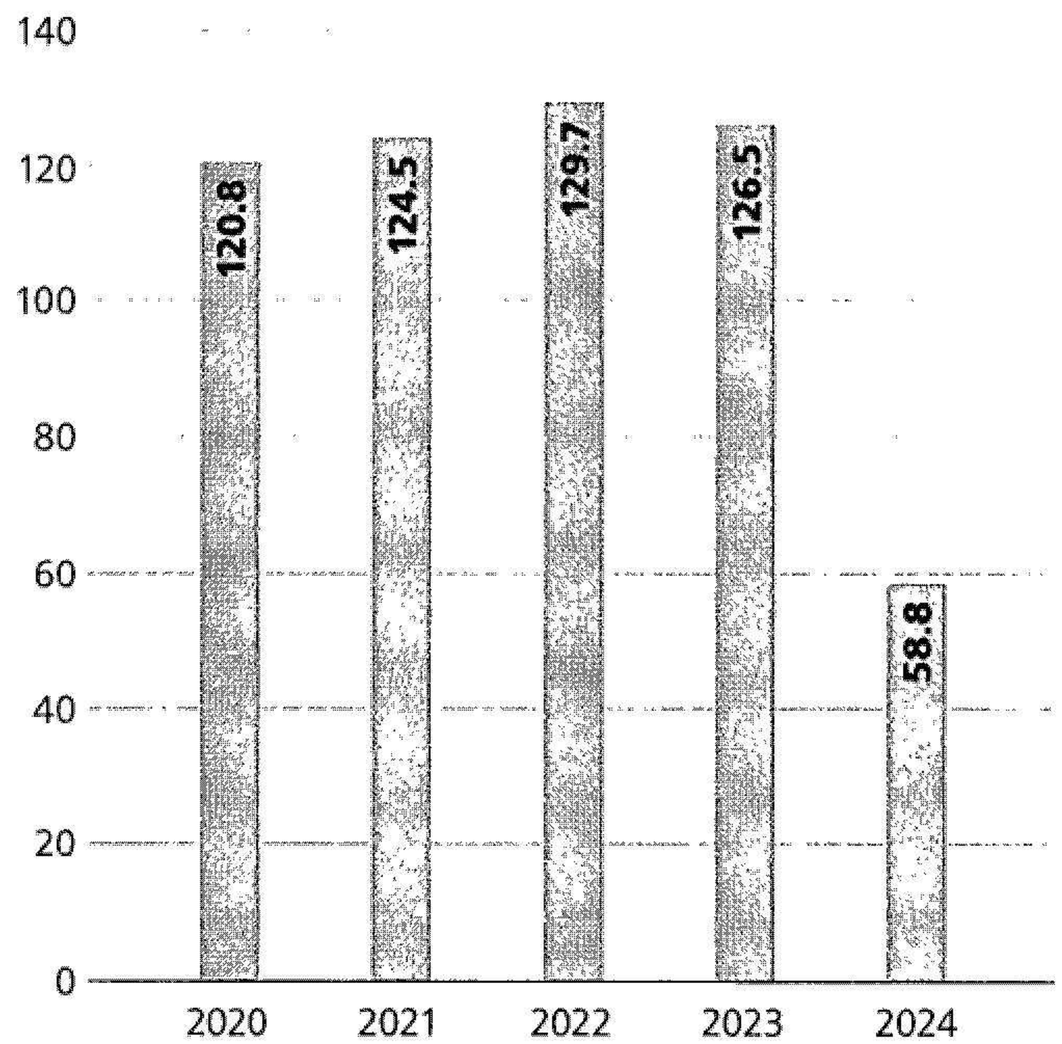
Turnover in the other product groups also decreased in comparison to the previous year, albeit less significantly: in the area of **facade coatings** by 1.7 % to EUR 387.5 million (previous year: EUR 394.3 million) and in **interior products** by 6.3 % to EUR 241.4 million (previous year: EUR 257.7 million).

The business volume in the **Miscellaneous product groups**, which fell by 6.5 % to EUR 233.1 million (previous year: EUR 249.2 million), is strongly linked to the declining new construction business in the construction industry. Turnover fell particularly sharply in the ceramics business, in which the Ströher companies are active.

## Development of earnings

The Sto Group's earnings in 2024 remained significantly below the previous year's value, particularly as a result of the lower turnover volume and the negative effects on earnings from the development of the Group companies of the Ströher Group in Germany, Skyrise Prefab Building Solutions Inc. in Canada, and Sto Ltd. in Great Britain, which was deconsolidated in December 2024. In order to take countermeasures and reduce costs across the Group, a comprehensive cost-cutting programme was introduced at the beginning of the second half of the year. It includes actions in the area of human resources – including short-time work in the last two months of the year at Sto SE & Co. KGaA and a restrictive recruitment policy worldwide – as well as consistent expenditure limits across all areas of the company. Until further notice, only operationally necessary investments and actions will be authorised.

**Sto Group EBIT**
in EUR million




The **cost of materials** fell by 6.6 % to EUR 736.0 million in the year under review (previous year: EUR 788.2 million). **Gross profit** totalled EUR 873.5 million (previous year: EUR 923.3 million), resulting in a slightly improved **gross margin rate** of 54.3 % (previous year: 53.9 %) in relation to total revenues, which fell by 6.0 % to EUR 1,609.5 million (previous year: EUR 1,711.5 million).

**Personnel expenses** decreased slightly by 0.3 % to EUR 435.2 million (previous year: EUR 436.7 million). This was offset by moderate savings from the reduction in the workforce, which took place in the fourth quarter in particular, collective bargaining effects and first-time consolidation effects from the first-time incorporation of the New Zealand company Stoanz Ltd. on 1 April 2024.

In the segment of **Western Europe**, personnel expenses fell from EUR 354.3 million to EUR 351.0 million, while in the **Northern/Eastern Europe** segment they were slightly below the previous year's level at EUR 34.0 million (previous year: EUR 34.2 million). Personnel expenses in the **America/Asia/Pacific** segment increased to EUR 50.2 million (previous year: EUR 48.2 million).

The balance of **other operating expenses and income** totalled EUR -308.2 million (previous year: EUR -292.9 million). Other operating expenses increased by 2.8 % to EUR 330.0 million (previous year: EUR 320.9 million), which, in addition to increased consulting costs, was due to a one-off expense for risks in the sales area of the British company Sto Ltd. that arose up to the time of deconsolidation as well as software rental licences, among other things. The higher freight cost ratio also had an impact, mainly due to the increase in tolls for commercial vehicles in Germany and inflation-related higher costs for driver wages and operating resources. Expenses due to changes in exchange rates as well as maintenance, travel and advertising costs had the opposite effect. Other operating income decreased significantly by 22.1 % to EUR 21.8 million (previous year: EUR 28.0 million). This was mainly due to lower income from exchange rate fluctuations. Expenses due to changes in exchange rates were around EUR 1.5 million higher than the corresponding income.

**EBITDA** in the Sto Group decreased by 34.0 % to EUR 127.0 million in 2024 (previous year: EUR 192.3 million). After deducting the depreciation/amortisation of intangible assets, property, plant and equipment and rights of use, which increased from EUR 65.8 million to EUR 68.2 million, **EBIT** amounted to EUR 58.8 million (previous year: EUR 126.5 million).

EBIT decreased from EUR 108.5 million to EUR 45.3 million in the **Western Europe** segment and from EUR 10.7 million to EUR 7.0 million in the **Northern/Eastern Europe** segment. EBIT in the **America/Asia/Pacific** segment decreased slightly from EUR 6.5 million to EUR 6.4 million. Here, growth in the USA was offset by significant declines in earnings in the Canadian and Chinese subsidiaries, among others.

As a result of the increase in market interest rates over the course of 2023, we were able to noticeably improve the Group's **net financial income/expense** in 2024, which totalled EUR 2.1 million after EUR 0.9 million in the previous year. Interest income increased from EUR 7.6 million to EUR 9.8 million and interest expenses from EUR 6.9 million to EUR 7.9 million.

Overall, **EBT** in the Sto Group decreased by 52.2 % in comparison to the previous year to EUR 60.9 million (previous year: EUR 127.4 million). The resulting return on sales fell from 7.4 % to 3.8 %. At 38.2 %, the 2024 tax rate was significantly higher than the previous year's rate, mainly

20250904057721

due to the non-recognition of deferred income tax assets at loss-making companies (previous year: 32.7 %). **Earnings after taxes** totalled EUR 37.6 million (previous year: EUR 85.8 million).

Diluted and basic earnings were EUR 5.89 per limited preference share (previous year: EUR 13.43) and EUR 5.83 per limited ordinary share (previous year: EUR 13.37).

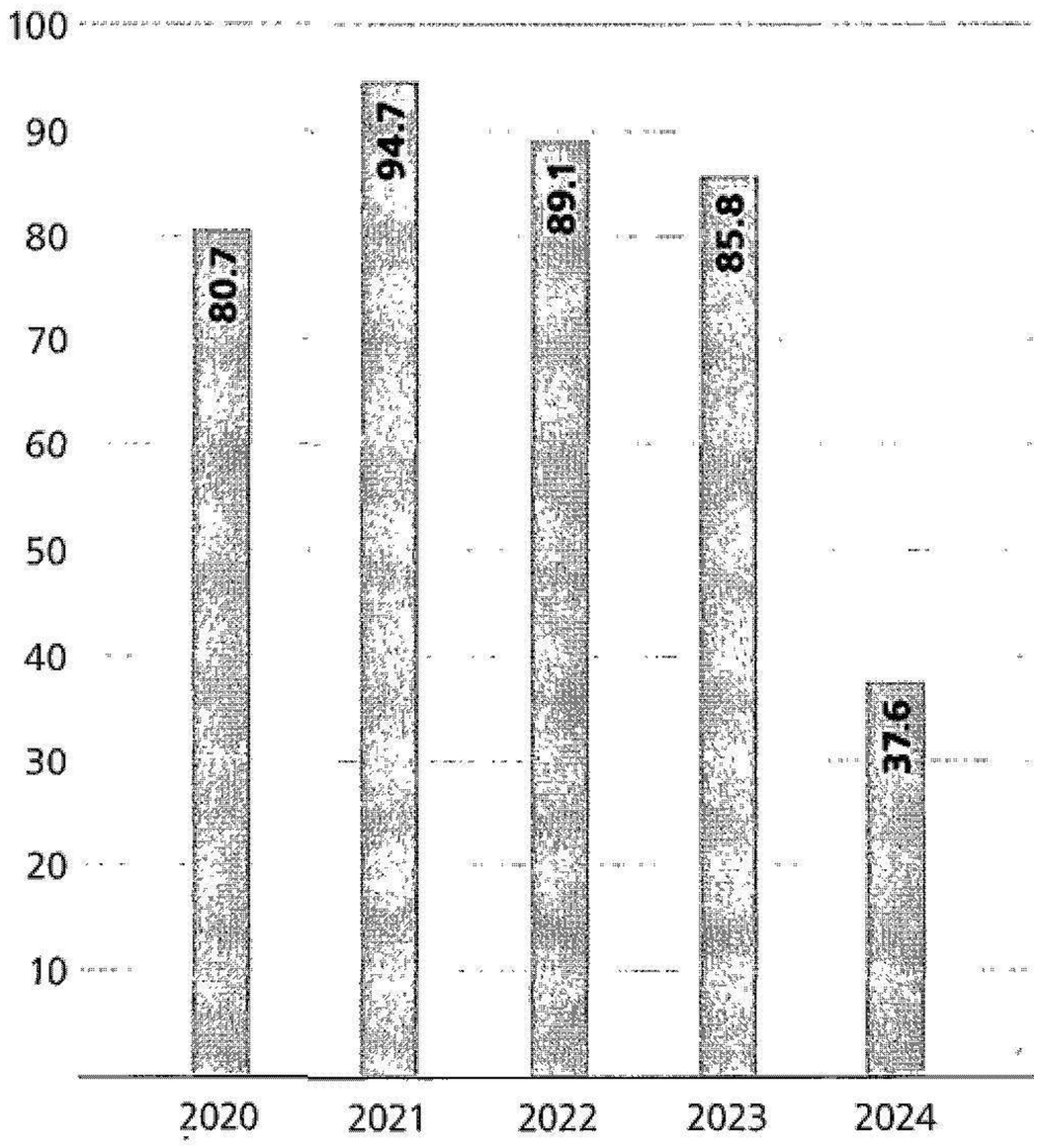
As at the reference date of 31 December 2024, the **ROCE** (return on capital employed) figure for the Sto Group stood at 7.8 % (31 December 2023: 17.1 %). The deterioration in the key figure is mainly due to the significant decline in EBIT, while there was a slight increase in capital employed, particularly for the right of use, based on the annual average calculation.

**Sto SE & Co. KGaA – Dividend**

At the parent company Sto SE & Co. KGaA, earnings before income taxes calculated in accordance with the German Commercial Code (HGB) decreased to EUR 55.8 million (previous year: EUR 91.8 million) and net profit for the year decreased to EUR 45.2 million (previous year: EUR 69.5 million). The financial situation and assets and liabilities situation of Sto SE & Co. KGaA remained very solid with an equity ratio of 69.8 % (previous year: 67.8 %).

The personally liable partner STO Management SE will propose to the Annual General Meeting on 18 June 2025 through its Executive Board a dividend payout totalling EUR 21,036,780.00 (previous year: EUR 31,896,720.00) to be made from the net income of Sto SE & Co. KGaA calculated in accordance with the German Commercial Code (HGB) in the amount of EUR 46.1 million. Accordingly, the limited preference shareholders are to receive an unchanged ordinary dividend of EUR 0.31 and a bonus of EUR 3.00 (previous year: EUR 4.69), i.e. a total of EUR 3.31 per share. An ordinary dividend of EUR 0.25 and a bonus of EUR 3.00 (previous year: EUR 4.69), i.e. a total of EUR 3.25 per share, will again be paid out to the limited ordinary shareholders.

**Earnings after taxes Sto Group**
in EUR million




**Financial situation**

The aim of Sto's **financial management** is to secure liquidity, optimise financial expenses and income and minimise currency and interest risks. It is organised centrally via Sto SE & Co. KGaA, which aggregates the capital requirements at Group level and handles the necessary financing measures for the entire Sto Group. We use a wide range of financial instruments in order to ensure as little dependence as possible on individual markets and methods of financing. When working with banks, we primarily value good credit ratings and long-term business relationships characterised by mutual trust.

To ensure an appropriate financing scope, we aim to establish a balanced relationship between equity and debt capital. We cover the majority of our financial requirements, which fluctuate greatly due to the seasonal nature of our business, from our operating cash flow and existing liquidity.

The credit facilities that had not been used as at the balance sheet date amounted to EUR 126.2 million (previous year: EUR 126.2 million). The majority comes from a syndicated loan agreement with a total volume of EUR 100 million, the term of which was originally agreed until April 2027 with two one-year extension options. In the meantime, the first extension option has been utilised, meaning that the term is currently agreed until April 2028. The financial covenant to be complied with is the net debt ratio, defined as the ratio of net debt to EBITDA. The agreed financial covenant was fulfilled in the year under review and in the previous year. Depending on the achievement of the KPIs, the interest margin of the loan may decrease or increase. One action each from the areas of environmental protection and corporate governance were agreed as KPIs.

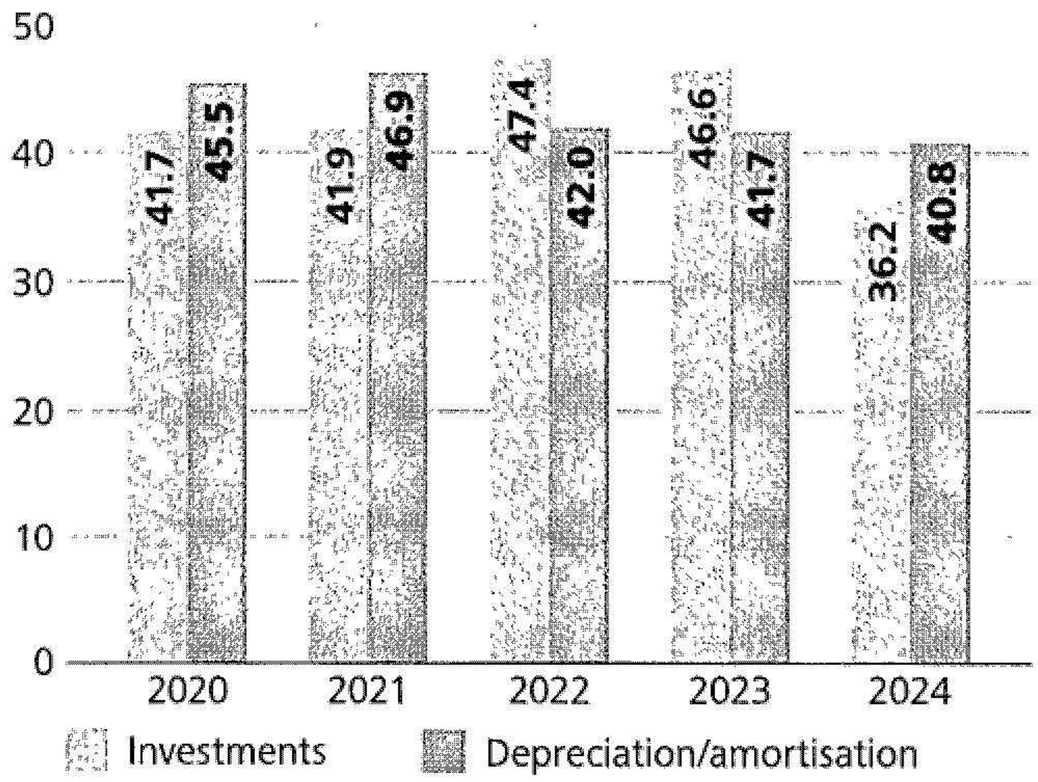
In order to minimise the influences of exchange rate fluctuations on consolidated earnings, **foreign currency items** are netted within the Group. As part of our planning, the foreign currency cash flows expected for the following year are determined, and suitable hedging strategies are then defined on this basis. Planned cash positions are hedged through instruments congruent with the time and economic state from the area of derivatives.

The Sto Group's liquidity is mainly managed via a **cash-pooling system** that incorporates almost all of the Sto Group's

**Sto Group statement of cash flows**
in EUR K

| | 2024 | 2023 |
|---|---|---|
| **Cash flow** | | |
| from operating activities | 90,516 | 170,918 |
| from investment activities | −38,256 | −103,830 |
| from financing activities | −64,115 | −62,694 |
| Change in cash and cash equivalents from changes in exchange rates | 406 | −1,520 |
| Change in cash and cash equivalents due to expected losses on cash and cash equivalents in accordance with IFRS 9 | 103 | −19 |
| **Cash and cash equivalents at the beginning of the period** | **122,278** | **119,423** |
| Change in cash and cash equivalents | −11,346 | 2,855 |
| **Cash and cash equivalents at the end of the period** | **110,932** | **122,278** |

**Sto Group investments and depreciation/amortisation (without financial assets and rights of use)**
in EUR million




subsidiaries operating in the eurozone. This allows us to net cash surpluses and cash requirements, and minimise the number of external banking transactions. We invest free liquidity at the best possible conditions, always following our principle of 'security takes precedence over returns'. Short- or long-term loans granted by the parent company are available to the subsidiaries, in particular for investments.

The central **treasury** department is responsible for ensuring solvency. It ensures the recognition of the financial resources required for interior and external financing as well as the financial risks. By doing this, we are taking into account the Sto Group's continuing internationalisation and the increasing risk management requirements that come with it.

At the 2024 year end, the present value of Sto Group disbursements due from leasing contracts in the future stood at EUR 102.6 million (31 December 2023: EUR 101.0 million).

**Development of liquidity in 2024**
The Sto Group's **cash flow from operating activities** decreased from EUR 170.9 million to EUR 90.5 million in 2024. In addition to the lower earnings, the main reason for this was the increase in funds tied up in current assets in comparison to the previous year. The increase of EUR 9.2 million (previous year: decrease of EUR 17.0 million) was primarily due to the significant reduction in trade payables and other liabilities, which fell more sharply than inventories and trade receivables. Changes in provisions led to a cash inflow of EUR 12.7 million (previous year: outflow of EUR 0.4 million), which arose in connection with the deconsolidation of the British company Sto Ltd., among other things. The cash flow margin in relation to sales revenue was 5.6 % (previous year: 9.9 %).

**Cash flow from investment activities** amounted to EUR -38.3 million in the year under review (previous year: EUR -103.8 million). Investments in Property, plant and equipment and Intangible assets totalled EUR 36.2 million (previous year: EUR 46.6 million), while the disposal of Intangible assets and Property, plant and equipment led to deposits of EUR 2.0 million (previous year: EUR 2.5 million). The acquisition of Stoanz Ltd in New Zealand on 1 April resulted in an outflow of EUR 3.7 million in 2024. It is included in the item Payments for the acquisition of consolidated companies and other business units (less acquired cash and cash equivalents). There was a total outflow of EUR 3.5 million (previous year: inflow of EUR 0.7 million) from the disposal of consolidated companies and other business units (less cash and cash equivalents disposed of). This was due to the deconsolidation of the British company Sto Ltd.. Interest payments received increased from EUR 5.2 million to EUR 8.3 million as a result of the increase in market interest rates over the course of 2023. In comparison to the previous year, disbursements for financial investments decreased to EUR 119.2 million (previous year: EUR 198.9 million), while the corresponding deposits fell to EUR 114.0 million (previous year: EUR 133.4 million). Cash flow from investment activities adjusted for these deposits and disbursements amounted to EUR -33.1 million (previous year: EUR -38.3 million).

In 2024, **cash flow from financing activities** amounted to EUR -64.1 million (previous year: EUR -62.7 million). Of this, an unchanged EUR 31.9 million was attributable to the dividend payout. The main increase was in the outflow for the repayment portion of lease liabilities, which rose to EUR 26.0 million (previous year: EUR 23.4 million). Payments for non-current borrowings fell in both the non-current and current areas to EUR 0.9 million (previous year: EUR 1.3 million) and EUR 1.0 million (previous year: EUR 1.1 million) respectively. Payments of interest increased from EUR 3.4 million in the previous year to EUR 4.3 million.

The Sto Group's **financial resources** totalled EUR 110.9 million at the end of December 2024 (31 December 2023:

20250904057722

EUR 122.3 million). Changes in the exchange rate in the amount of EUR 0.4 million (previous year: EUR -1.5 million) and changes due to expected losses in cash and cash equivalents in accordance with IFRS 9 in the amount of EUR 0.1 million (previous year: EUR -0.02 million) were recognised. Compared to the same day of the previous year, cash and cash equivalents decreased by EUR 11.3 million (previous year: increase of EUR 2.9 million).

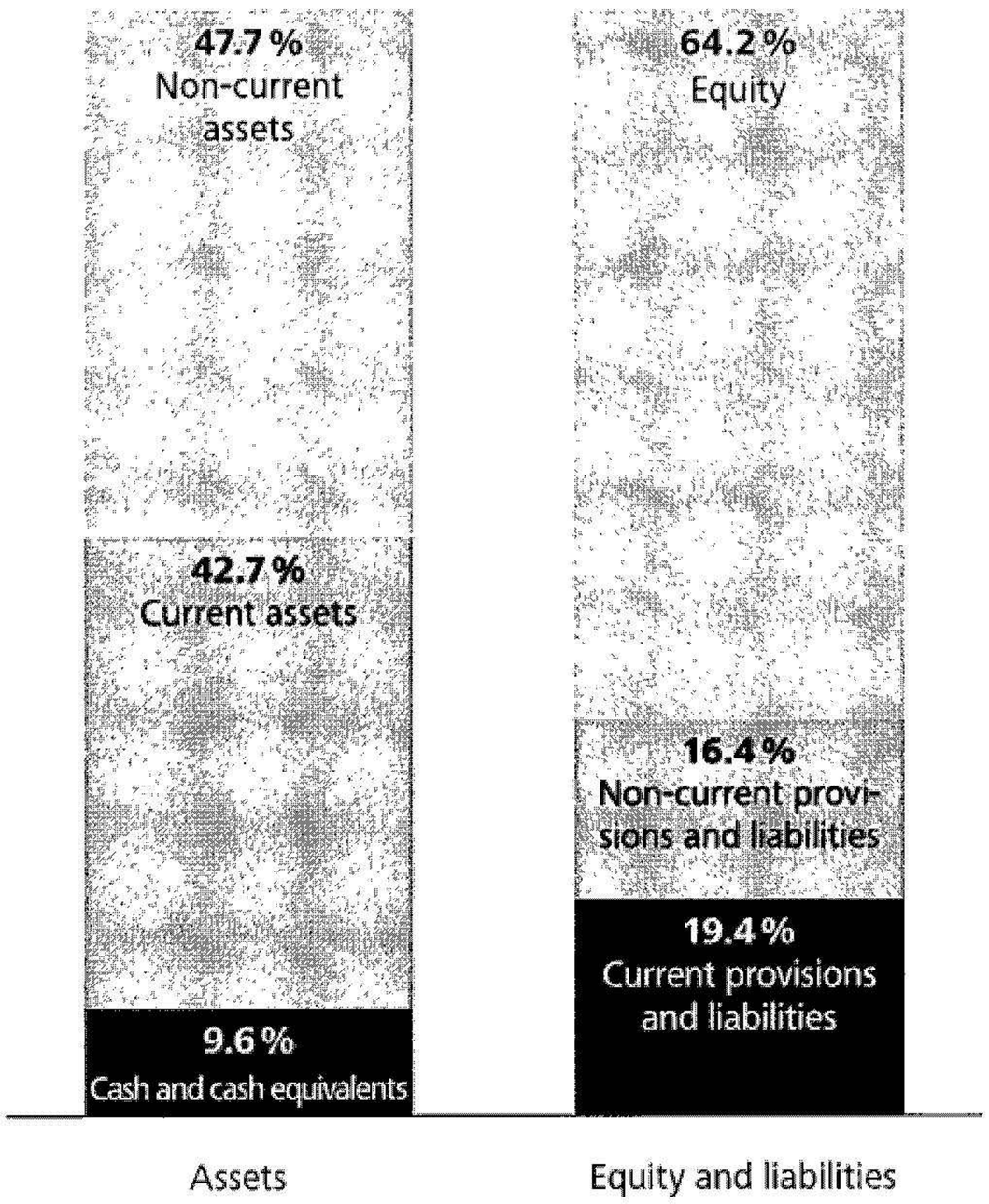
**Investments**
Group-wide investments in Property, plant and equipment, equipment, and Intangible assets totalled EUR 36.2 million in 2024 (previous year: EUR 46.6 million). They thus remained slightly below the level of the last forecast of EUR 40 million, which was adjusted in August (original forecast April 2024: EUR 50 million). The main reason for the reduction compared to the forecast and the previous year's volume was the postponement of various projects.

The delays related in particular to the two most extensive individual investments in the year under review, a new wet production facility at the national company in Mexico and the construction of additional production capacities in Australia. In addition, a large proportion of the investments in 2024 were channelled into the ongoing Retrofit programme. It includes numerous replacement and expansion investments at the Group's production sites and ensures that production is always at the cutting edge of technology. The focus is on the digitisation of processes and the associated optimisation of workflows.

At the year end 2024, there were acceptance obligations for items of property, plant and equipment in the amount of EUR 4.9 million (previous year: EUR 11.8 million). As in previous years, the Sto Group did not invest in financial assets.

Of the Group-wide investments, EUR 21.4 million was attributable to the segment of Western Europe (previous year: EUR 38.5 million), EUR 3.0 million (previous year: EUR 2.1 million) to Northern/Eastern Europe and EUR 11.8 million (previous year: EUR 6.0 million) to America/Asia/Pacific.

**Sto Group balance sheet structure**
As at 31 Dec 2024




**Assets and liabilities situation**
The Sto Group's total assets decreased to EUR 1,158.3 million as at 31 December 2024 (31 December 2023: EUR 1,164.8 million). **On the assets side,** there was a reduction in **non-current assets** in particular, which totalled EUR 552.5 million (31 December 2023: EUR 568.1 million). Non-current other financial assets, which recognise financial investments with remaining terms of more than one year, decreased from EUR 90.7 million to EUR 74.6 million, mainly due to reallocations from non-current to current assets. At EUR 1.0 million, non-current trade receivables were slightly higher than in the previous year (31 December 2023: EUR 0.9 million).

Fixed assets decreased slightly from EUR 457.2 million to EUR 455.4 million. Property, plant and equipment decreased from EUR 301.7 million to EUR 298.2 million, while right-of-use assets increased slightly from EUR 99.0 million to EUR 100.1 million and intangible assets from EUR 54.0 million to EUR 54.5 million. Financial assets accounted for using the equity method remained almost unchanged at EUR 2.5 million on the reference date (31 December 2023: EUR 2.4 million).

Total **current assets**, which amounted to EUR 605.8 million (31 December 2023: EUR 596.7 million), reflected the reallocation of financial assets. As a result, the item Current other financial assets increased from EUR 116.1 million to EUR 141.4 million. By contrast, inventories decreased, amounting to EUR 151.1 million at the year end (31 December 2023: EUR 161.3 million). The good business at the end of the year and the active reduction of inventories as part of the optimisation of inventories were particularly noticeable here. Current trade receivables decreased from EUR 166.1 million to EUR 164.1 million as a result of the business. A portion of the cash and cash equivalents, which amounted to EUR 110.9 million at the end of 2024 (31 December 2023: EUR 122.3 million), was reallocated to current financial assets.

The **liabilities side** of the consolidated balance sheet remained dominated by **equity**, which increased from EUR 729.3 million to EUR 743.5 million. The **equity ratio**

improved further from 62.6 % on the same day of the previous year to 64.2 %.

**Debt capital** decreased to EUR 414.8 million at the end of 2024 (31 December 2023: EUR 435.5 million). **Non-current provisions and liabilities** decreased from EUR 194.7 million to EUR 189.7 million, while Non-current other financial liabilities decreased from EUR 6.3 million to EUR 2.4 million. Non-current lease liabilities decreased and amounted to EUR 77.1 million at the end of 2024 (31 December 2023: EUR 79.1 million). Year-on-year, pension provisions decreased from EUR 91.5 million to EUR 90.2 million. Non-current other provisions increased from EUR 16.5 million to EUR 18.5 million. Non-current borrowings were reduced in full as scheduled due to maturities (31 December 2023: EUR 0.02 million).

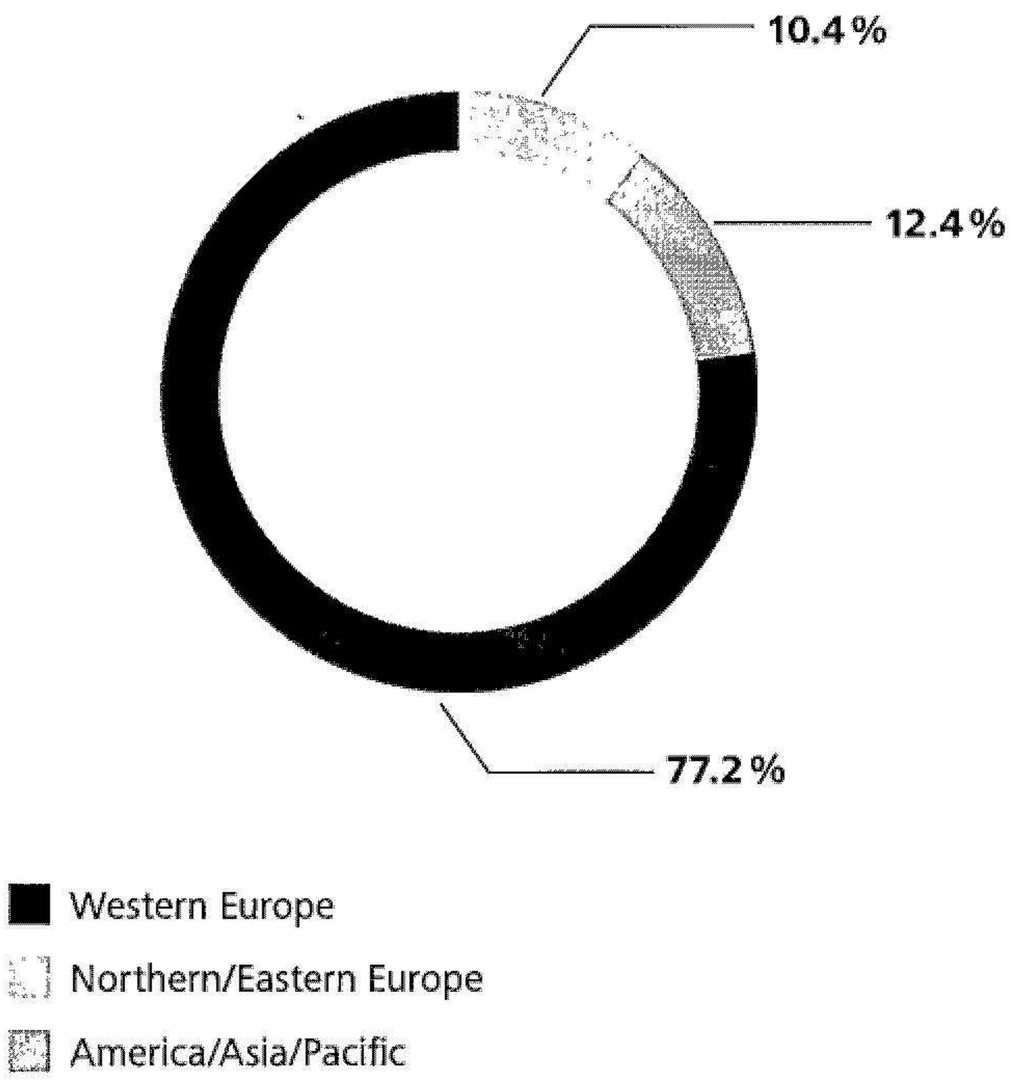
Total **Current provisions and liabilities** decreased from EUR 240.8 million to EUR 225.1 million, with trade payables falling by EUR 9.2 million to EUR 58.6 million (31 December 2023: EUR 67.8 million). Current other financial liabilities and current other liabilities also decreased significantly: they amounted to EUR 38.8 million (31 December 2023: EUR 45.3 million) and EUR 51.5 million (31 December 2023: EUR 60.2 million) respectively. Current contract liabilities were recognised for the first-time as at the reference date and amounted to EUR 2.4 million. Current borrowings decreased to EUR 1.7 million (31/12/2023: EUR 2.6 million), mainly as a result of scheduled repayments. Current other provisions in the amount of EUR 35.2 million (31 December 2023: EUR 30.2 million) included, in particular, provisions for warranty obligations in the sales area. Current lease liabilities rose to EUR 25.5 million (31 December 2023: EUR 21.9 million) due to contract adjustments and new leases.

Total current and non-current borrowings decreased year-on-year from EUR 2.6 million at the end of 2023 to EUR 1.7 million. Taking cash and cash equivalents into account, net financial assets amounted to EUR 109.2 million at the end of December 2024 (31 December 2023: EUR 119.7 million).

02509040572

# C. Other performance indicators

**Sto Group employees as at 31 Dec 2024**
By segment



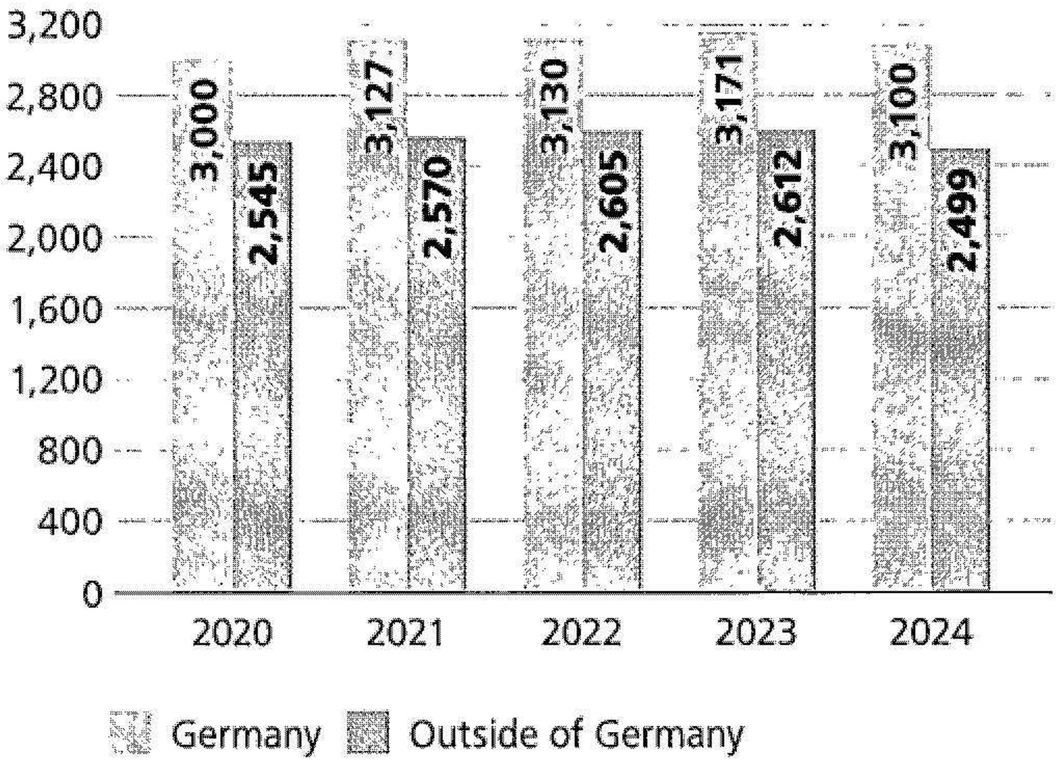

**People as a success factor**
The success of the Sto Group is largely based on the service of our employees, whom we value and promote in a targeted manner. We believe that attractive jobs and working conditions, a high level of personal responsibility in performance-oriented teams and a comprehensive range of further training programmes for the systematic promotion of individual skills are important prerequisites for a motivated, loyal and productive workforce and the development of the company.

The successful recruitment of qualified personnel is also significant for our future growth. The search for suitable candidates is a challenging task, particularly in view of the increasing shortage of skilled workers on the global employment markets as a result of demographic change. In 2024, some positions in the Group could only be filled with a delay, in particular training positions, vacancies in the sales force and in specialised departments at the Group headquarters. To counteract this, we have intensified our personnel marketing measures at the locations. In addition, the trainee programme for the sales force, which was successfully launched in the previous year and with which we specifically promote talented young professionals, was continued and our employer brand was further developed with the involvement of the workforce.

**Employees**
As at 31 December 2024, the Sto Group employed 5,599 employees worldwide (31 December 2023: 5,783). Compared to the 2023 year end, the workforce was thus reduced by 184 people or 3.2 %. 51 jobs were lost due to the deconsolidation of the British company Sto Ltd., while 24 new jobs were added due to the first-time incorporation of the New Zealand company Stoanz Ltd. In the segment of Western Europe, the number of employees fell by 154 to 4,325 (31 December 2023: 4,479; -3.4 %), in the Northern/Eastern Europe segment by 19 to 581 (31 December 2023: 600; -3.2 %) and in America/Asia/Pacific by 11 to 693 (31 December 2023: 704; -1.6 %).

In Germany, the number of employees decreased by 71 to 3,100 (31. December 2023: 3,171; -2.2 %) year-on-year, which is mainly due to the restrictive recruitment policy introduced as part of the cost-cutting programme. The Group's workforce outside of Germany decreased by 113 to 2,499 employees (31 December 2023: 2,612; -4.3 %). The downsizing in several subsidiaries due to economic factors was offset by a few new hires in national companies with short and medium-term growth prospects and the first-time consolidation of Stoanz Ltd in New Zealand. At 44.6 %, the share outside of Germany was below the previous year's level of 45.2 %.

**Sto Group employees as at 31 Dec**
Number




**Diversity and variety**
As heterogeneous teams are better at solving complex tasks, diversity is a priority in our personnel decisions. We actively promote a high degree of diversity within the company in order to be able to benefit from the widest possible range of skills and experiences within the company. Tolerance with

regard to ethnic origin, gender, age, sexual orientation, religion and disability is a matter of course at Sto and is also anchored in the Sto Code of Conduct.

The average age of the workforce as at the end of 2024 was 44.5 (previous year: 44.0) years, while the share of female employees increased slightly compared to the previous year to 25.4 % (previous year: 25.3 %). We strive to increase diversity every time we fill a position.

**HR strategy**
The Sto Group's HR strategy was pursued unchanged in the 2024 financial year. It aims to implement Sto's corporate culture, which is defined by respect and an ambitious approach to co-creation. It is intended to motivate employees to assume responsibility for ambitious targets.

One focus in the 2024 financial year was management development. The global programme 'Sto Culture Evolution' initiated for this purpose was further established and the first of a total of three modules was completed with over 248 participants. The ongoing measures for process orientation and digital transformation in the Sto Group were also supported with suitable training, communication and change measures.

In 2024, particular importance was attached to countering industry-specific economic risks. In view of the lower business volume, various HR policy instruments were used to reduce staff costs and help secure earnings. Among other things, the Company countered the sales-related decline in capacity utilisation from November with short-time work at Sto SE & Co. KGaA.

**Fluctuation**
As regards the fluctuation rate – which is defined by considering the number of exits from the company (not including natural ones, such as people entering retirement) in relation to the average number of permanent staff – we aim to keep it in the lower single-digit percentage range across the Group. In 2024, the rate within Sto SE & Co. KGaA was 4.1 % (previous year: 3.3 %), while the share of voluntary terminations fell to 1.8 % (previous year: 2.1 %). The average period of employment in the Sto Group was 11.6 years, while employees at Sto SE & Co. KGaA working for the company for 14.0 years (previous year: 13.6) on average. These figures show the high level of loyalty of the workforce to the company.

**Health and well-being**
The health of employees and a safe, pleasant workplace are important prerequisites for successful corporate development. A protected environment keeps employee motivation and commitment high, has a positive impact on productivity, the ability to work, and performance, and reduces unwelcome costs if something goes wrong. At the same time, safety and health are indispensable prerequisites for a company's good reputation and attractiveness. Our global health management system forms the basis for the numerous activities with which we support these factors.

**Occupational safety**
In order to ensure a high level of occupational safety within the Sto Group, compliance with all relevant workplace regulations is consistently monitored in all companies, and we offer regular training, particularly following accidents. We aim to achieve a work accident rate of less than ten reportable accidents at work or on the way to and from work per 1,000 employees per year. In 2024, this rate was slightly exceeded within Sto SE & Co. KGaA with a value of 14.8 (previous year: 8.4). The number of accidents at work increased from 20 in the previous year to 28, while the number of commuting accidents subject to reporting obligations fell from 7 to 5. The largely minor incidents were mainly due to human error and carelessness.

Hazard identification, risk assessment, and investigation of incidents are carried out in routine processes. Serious accidents are documented and investigated, and measures for future prevention are derived. Managers are also obliged to analyse the causes of unsafe situations (near misses) and, if necessary, change procedures to avoid potential hazards in the future.

**International certifications**
The Sto Group's high standards in the areas of health and safety are demonstrated by numerous external certifications: the international occupational health and safety standard ISO 45001 was fulfilled at the year end 2024 by the production sites of Beissier S.A.U. in Spain, Shanghai Sto Ltd. in China, and Sto Scandinavia AB in Sweden, as well as by the sales locations in Denmark, Finland and Norway.

All three plants of the US company Sto Corp. were certified in accordance with OSHA (Occupational Safety and Health Administration) standards, which document a high level of safety and health. The OHRIS standard (Occupational Health and Risk Management System), a globally valid standard for promoting health and safety at work, was implemented by the German subsidiaries Verotec GmbH and Innolation GmbH. The subsidiary in Singapore is audited in accordance with



At the 2024 year end, the Sto Group had a total of 5,599 employees globally.
Photo: Martin Baitinger,Böblingen/Germany

20250904057724

the bizSAFE programme. The French companies Innolation S.A.S. and Beissier S.A.S. implemented the RSE (responsabilité sociétale des entreprises) label of the French standardisation authority for assessing social responsibility.

**Further education and training activities**
We are enhancing the expertise and skills of our employees with a comprehensive, group-wide training and professional development programme. This enables us to maximise their potential and develop their professional and personal skills. Our training measures are geared towards current challenges and include language courses, specialist seminars, training courses for project leadership and management, management development programmes and individual coaching.

In 2024, we expanded the digital learning platform 'Learning@sto', which forms the core of our global training programme, by around 50 courses. The focus was on the topics of leadership, personal and business skills, as well as communication and interaction issues. The learning content and materials are now available in 14 languages, can be accessed globally in standardised formats and are flexibly adapted in cooperation with the subsidiaries. In addition, there is an extensive in-person programme, which is used, among other things, to improve the onboarding process when new employees are hired.

**Vocational training at Sto**
In the 2024/2025 training year, 79 (previous year: 80) trainees and dual students started vocational training at Sto in Germany. The number of industrial and commercial professions and fields of study that we offer remained unchanged from the previous year at 29. The total number of trainees and students working in Germany as at the reference date of 31 December 2024 was 233 compared to 235 at the end of 2023. This corresponds to a share of 7.5 % (previous year: 7.4 %) of the total domestic workforce, which means that Sto was once again well above the cut for all companies in the chemical industry in Germany.

In order to further increase the attractiveness of vocational training at Sto, we also took part in numerous job and training fairs and careers information days in 2024, including in schools. In addition to these events, we have increased our presence on social media and other internet platforms. Contents on vocational training can be found in the 'Careers' section on the website www.sto.de.

**Research and development (R&D)**
Sustainable research and development work is one of Sto's core competences and an essential basis for our strategic orientation. The aim of R&D activities is to continuously expand the expertise and skills available within the company in order to underpin the position we are striving for as an innovative technology leader in the industry, to offer our customers additional benefits and to open up new markets and growth areas for Sto.

The company's development activities are bundled in the competence centre at the Stühlingen site. From here, an intensive bilateral exchange takes place with the locally operating R&D departments of the subsidiaries inside and outside o Germany. In addition to the personal and online meetings, there is a global meeting of all R&D departments twice a year.

Research and development expenses recognised through profit or loss amounted to EUR 15.3 million in the 2024 financial year (previous year: EUR 16.5 million). This corresponded to a share of 0.9 % (previous year: 1.0 %) of total consolidated turnover. The number of employees working in R&D departments in the Sto Group worldwide totalled 178 as at the year end (previous year: 197).

**Fundamentals of R&D work 2024**
Sustainability is an important aspect for all R&D activities in the Sto Group. It forms an additional basis for projects and is implemented in the product development phases – from the selection and procurement of materials to manufacturing and environmentally friendly packaging.

In recent years, activities have also focussed on ensuring the ability to deliver. In order to guarantee a reliable supply of all the raw materials required, second and third suppliers are validated, among other things. This also results in synergies that we can benefit from for product optimisation.

The system concept has been a significant topic for several years. A separate department was set up for this purpose. In 2024, it focussed primarily on integral facade systems in addition to the projects already underway in the field of testing and application technology. We often work together with external institutes and universities.

**New and further development of products**
Among the most important new and further developments in the year under review was our particularly sustainable, multi-award-winning complete system StoTherm AimS®, which we have been offering and continuously expanding since 2021. Significantly less crude oil is used in the production of this product family, resources are conserved and the carbon footprint is minimised. The installation of the adhesive-free version of StoTherm AimS® also enables recycling-compatible separation by type and can thus be returned to the circular economy. The facade system is extremely versatile and can be flexibly combined to meet individual requirements. In 2024, we introduced the mineral adhesive and reinforcing mortar StoLevell Neo AimS® at the "Farbe, Ausbau & Fassade" trade fair, which completely dispenses with the usual use of cement. Thanks to the patented technology, around 50 % less $CO_2$ is emitted during production than with comparable mortars. By combining it with a sustainable wood fibre insulation board, it is possible to create an EWIS with a negative carbon footprint.

In the area of interior coatings, the particularly durable wall paint StoColor PuraClean, which can be wiped off with a

damp cloth, has been newly developed. It is composed of selected pigments, fillers and binders, which form a protective layer after drying and thus contribute to longevity. A patent has been registered for this innovation.

In the area of natural stone renders, we have modernised the collection for facades (StoSuperlit), which has been tried and tested on the market for many years. A smaller grain size gives the external render, which is used particularly in the plinth area and in passageways, a finer appearance. The R&D team also developed 24 new colour mixtures. The product with a modern, sustainable formulation without biocidal film protection impresses with its durability. It can also be combined as an accentuated area with all external renders from Sto.

The acoustics portfolio for optimising room acoustics and sound was also expanded in the year under review. The new absorber developed for the StoSilent Frame system, which is the central component responsible for optimised sound absorption, consists of an expanded glass panel made from 95 % recycled glass.

**Awards**
Sto received a total of five awards at the 14th 'Architects' Darling Award': 1st place in the categories 'External wall insulation systems', 'Facades/Facade constructions', where we scored points with the variety of facade surfaces, as well as 'Best training programme'. Bronze was awarded for 'Best Project Consultancy' and in the 'Product Innovation Finishing' category for the cement-free adhesive and reinforcement compound StoLevell Neo AimS® with significantly reduced $CO_2$ equivalent. In 2024, more than 2,000 architects and planners, a very important target group for Sto, were involved in the decision. Every year, they choose their favourites from around 200 manufacturers and brands in numerous categories.



Sto has modernised its tried-and-tested collection of natural stone renders. StoSuperlit (for facades) and StoGranit (for interiors) are now available in 24 new colour mixtures with a finer grain size.
Photo: Martin Baitinger,Böblingen/Germany



Innovative surface: Coffee stains can simply be wiped off the StoColor PuraClean interior paint with a damp cloth.
Photo: Martin Baitinger,Böblingen/Germany

In addition, the StoTherm AimS®facade system was one of the three finalists for the 17th German Sustainability Award in the Paints and Coatings category. The prize is awarded annually by the Stiftung Deutscher Nachhaltigkeitspreis e.V. (Foundation for the association German Sustainability Award) in cooperation with the German government and other organisations and research institutions. The award recognises exemplary sustainability achievements in business, municipalities and research.

**Fundamental research**
Our sustainability strategy also plays an important role in Sto's extensive fundamental research. One focus in the 2024 financial year was the use of recyclates and the recyclability of products. In the case of products for walls and floors, the focus was on the multifunctionality of the systems, while the use of alternative insulation boards with special properties was investigated in the product area of EWI systems.

A new topic is green facades. In this way, we are further expanding our sustainable focus: from a pure product and system perspective to the use of the facade surface.

We work with numerous external partners to support our research activities. These collaborations were further expanded in the year under review, particularly in the academic field. Projects have been initiated with the universities in Braunschweig, Frankfurt and Munich, among others. In addition to the gain in technical expertise, this also supports the search for qualified junior specialists.

**Certified quality management**
All key production facilities within the Sto Group are registered in the integrated management system, which incorporates all existing quality, environmental, safety and energy management systems. In 2024, as in the previous year, 26 of the 32 plants complied with the international quality management standard ISO 9001:2015. The number of companies

20250904057 25

certified according to the environmental management standard ISO 14001:2015 at the year end has also not changed compared to the same day of the previous year – a total of 19 Sto plants are certified to this standard.

In the year under review, the requirements of the ISO 50001:2018 standard for the improvement of energy efficiency were met by the headquarters of Sto SE & Co. KGaA in Stühlingen/Germany, all production plants and SalesCentres in Germany as well as seven subsidiaries.

We aim to ensure that a very high level of quality is achieved at all stages of the manufacturing process and – where possible – that an even higher level is attained. To this end, the Group's plants are continuously reviewed and optimised. In addition to external surveillance audits and spot checks based on a certification matrix, we also carry out internal audits.

Bought-in products, particularly in the production of EPS insulation boards, are also regularly audited, with random samples of the products to be tested being selected using a defined process.

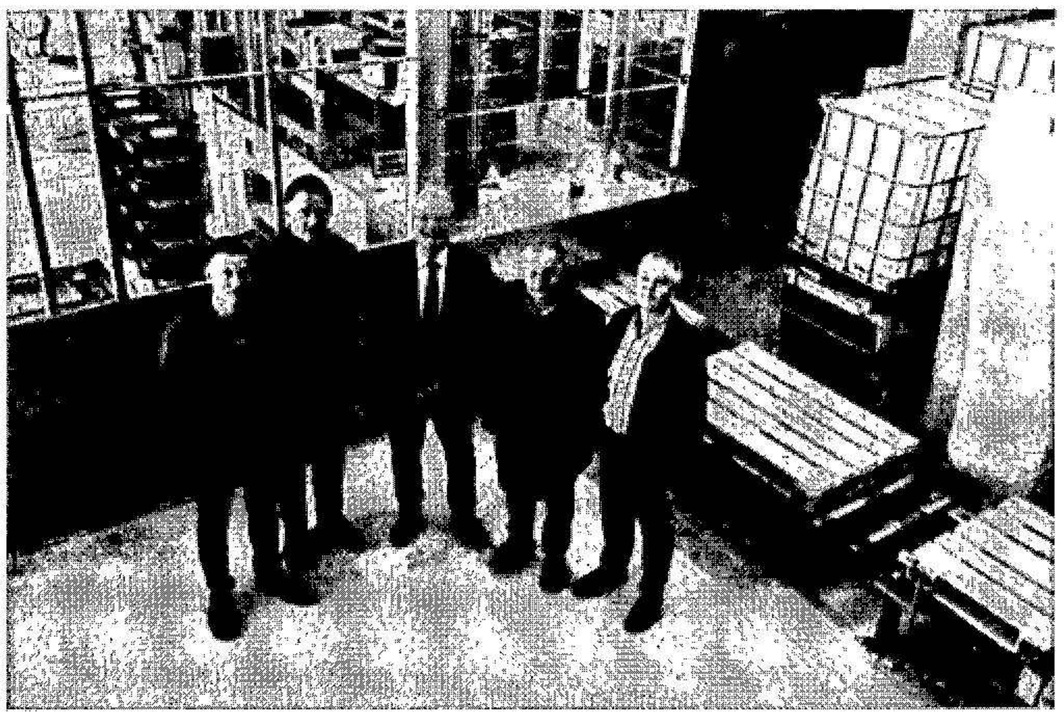
**Production**[5]

As in the previous year, the Sto Group's production network comprised 32 locations as at the end of 2024, twelve of which were located in Germany and 20 outside of Germany. Although plant capacity utilisation was significantly below the 2023 level in some areas, overall it was only slightly below the previous year.

The production facilities and processes in the group are continuously optimised worldwide, updated to the latest state of the art and further developed as required. This enables us to ensure the high quality level of Sto products, increase the efficiency of processes and fulfil our customers' requirements. As in the entire Group, we also consistently and systematically ensure sustainability in the area of production.




Sto was awarded three gold medals at the Architects' Darling Award 2024.
Photo: Heinze GmbH, Marcus Jacobs



As part of the Retrofit project, the plant engineering team in Stühlingen implemented various renovation and expansion measures.
Photo: Sto SE & Co. KGaA

The focus of the modernisation and renovation measures in 2024 was once again the continuous programme Retrofit. The focus was on the replacement of further electrical control systems in existing plants. This involves installing a standardised IT-based production management system that digitally supports virtually all processes within the production environment. At the turn of the year 2024/2025, the process control system for the production of dry mortar products at the Tollwitz site was switched over. In addition, various modernisation and expansion measures were implemented or prepared, including at the German plants in Stühlingen, Kriftel, and Rüsselsheim.

In order to identify and implement optimisation potential in production at an early stage, the non-conforming batch rate is regularly checked at the production sites. This share of the total production volume that cannot be delivered due to defects was again at a low level. We were also able to achieve the target value of less than 0.09 % at the majority of Sto's European plants in 2024. The basis for this consistently good quota is regular training and qualification measures for our workforce.

The key products manufactured by the Sto Group itself continue to include coating materials such as plasters, renders and paints, adhesive and reinforcing compounds, and floor coatings. We also produce some of the polystyrene (EPS)-based insulation materials we need at the Innolation GmbH sites (Lauingen/Germany and Amilly/France), which are used exclusively within the Group. In-house production enables us to expand our technological expertise in this important area in a targeted manner and reduce our dependencies on suppliers. Our Swedish subsidiary also produces special insulants based on EPS.

[5] The chapters 'Production' up to and including 'Procurement' contain the disclosures typical of the management report, which also deal with the Disclosure Requirement [ESRS 2 SBM-1] of the ESRS.

Key figures on incoming orders and the order backlog are not material from the Group's perspective because short-term orders dominate the business performance of Sto companies due to market conditions and the customer structure. What is more relevant for development is a high level of goods availability, to which flexible production also contributes, as well as a fast delivery service.

**Procurement**

The composition of the **procurement portfolio** remained largely unchanged in the year under review. The main feedstocks and raw materials purchased by the Sto Group are insulants, dispersions and dispersible polymer powders, epoxy resins and their hardeners, fillers, pigments and packaging materials. The procurement volume fell by around 7 % compared to the previous year, with the procurement of polystyrene foam decreasing to an above average extent compared to other insulation materials.

The **supply situation** improved further in 2024. Due to the decline in demand resulting from the subdued global economy, sufficient availability of all essential materials needed in the Group was ensured. The global supply chains were also reliable overall, meaning that raw materials were delivered on time. The supply of finished products was also ensured throughout, although there were strong fluctuations over the course of the year. There were delays in some cases for individual suppliers who reduced their capacities or introduced short-time work due to the weak economic situation. We were able to compensate for this by increasing our range of coverage and building up our stocks.

**Purchasing prices** remained at a high level, but declined overall in comparison to the previous year. The decisive factor here was also the reduced demand due to the weak economy. There were price increases in some areas, for example for fillers and coloured pigments. The cost of goods sold in the Sto Group in relation to total revenues fell from 46.1 % to 45.7 % compared to 2023.

In 2024, the cost of **purchasing electricity** was noticeably lower due to falling prices. Nevertheless, the level was still significantly higher than before the outbreak of the Russia-Ukraine conflict. The cost of purchasing gas has risen sharply. Following the expiry of old contracts, some of which had long terms, we had to make additional purchases at current market prices in the year under review, which factored in the uncertainties associated with the ongoing tense supply situation. In order to spread the risks associated with the purchase of energy, procurement was mainly carried out in tranches over several dates.

The European **transport market** was also characterised by the subdued economic situation in the year under review. Capacity was generally readily available both in Germany and in other European countries. However, this did not have a positive effect on prices, as transport service providers passed on inflation-related additional costs for driver wages and operating resources. The main price driver in logistics was the increase in toll charges for commercial vehicles in Germany, which led to a cost increase of 5-10 % in the year under review. Fuel prices, on the other hand, developed positively.

**Procurement management**

The continuous supply of all required materials to the Sto Group's production facilities is ensured by proactive, Group-wide procurement management. It is based on close, long-term cooperation with our most important suppliers, forward-looking procurement planning, early conclusion of contracts, a consistent multiple-supplier principle and stock levels adapted to the situation. In organisational terms, Sto SE & Co. KGaA handles the procurement of capital goods, services and consumables centrally. It also supports the subsidiaries with personalised advice, expertise and state-of-the-art procurement methods.

The company-wide project for the introduction of the SAP S/4HANA ERP system played a central role in 2024. In the course of implementation, all processes are to be harmonised and standardised at a global level. To this end, the requirements in the purchasing area were defined in workshops, and suitable actions were developed to align processes even more closely with requirements. Other focal points were the early securing of conditions in the area of logistics in order to counteract possible price increases, and the automation of ordering processes.

In order to further improve **procurement planning**, we have been implementing a Group-wide Sales & Operations Planning (S&OP) process since 2023. Procurement, production and logistics will be aligned even more closely with sales planning, and processes will be standardised across functions worldwide in order to better benefit from existing resources and improve the planning of purchasing volumes.



The Sto Group is increasing its on-time and in-full delivery with the Sales and Operations Planning (S&OP) process.
Photo: Martin Baitinger,Böblingen/Germany

20250904057726

The S&OP project is also intended to further improve the **on-time and in-full delivery** to our customers, which was almost at the previous year's level of 97.3 % at Sto SE & Co. KGaA in 2024 (previous year: 97.4 %). With a view to the customer centricity we are striving for, we want to increase this value further by optimising demand forecasts, revising the distribution concept for central procurement and adjusting strategic stockpiling in the peak season.

The key figure for **supplier evaluation**, which is collected twice a year, was 86.1 at Sto SE & Co. KGaA in 2024 (previous year: 86.3), following a target of 90.0, as in the previous year. The attributes of quality and price improved year-on-year, while the criteria of commercial cooperation and delivery conditions received slightly lower ratings. The results of the evaluations are weighted in different ways and are condensed into a single key figure with a maximum score of 100.

**Distribution of the procurement volume**

The majority of the volume procured by Sto was also procured via local markets in the year under review. Sto SE & Co. KGaA buys around three quarters of its procurement volume in Germany and the rest in Europe.

# D. Risks and opportunities report

**Risks and opportunities**[6]
As an internationally active Group of companies, the Sto Group faces risks and opportunities. The goal-oriented management of the opportunities and risks, which we define as possible deviations from the planned earnings, is one of the fundamental components of our management of the company and is essential for the long-term positive development of the Sto Group.

The Executive Board of STO Management SE, as the personally liable partner of the company, defines a **risk strategy**. It asks for opportunities that arise to be exploited with rigour, and risks to be undertaken only where a commensurate contribution to earnings can be expected and a threat to the company's existence can be largely excluded.

**Internal control system**
As a supplement to the Sto Group's risks and opportunities management system, we have also implemented an **internal control system (ICS)**. This covers all the principles, procedures, and measures that are intended to ensure the effectiveness, economic efficiency, and reliability of the Group accounting as well as compliance with the relevant legal regulations. The ICS also incorporates an internal monitoring system comprising in-process elements and elements independent of the process concerned. For example, this includes the important dual control principle, which is supplemented by automated IT process controls.

The responsibilities and functions in the accounting process are clearly defined and separated. This includes the accounting at Sto SE & Co. KGaA and its subsidiaries, Group accounting and investment controlling.

The digitised accounting process is controlled using the ERP software SAP, which has been implemented at most Sto companies. It records and processes all issues and data relevant to accounting. Sto SE & Co. KGaA has an electronic workflow in place for centralised invoice processing and archiving, and this has been gradually rolled out to the majority of subsidiaries. Access to data is regulated by an authorisation concept and secured by access restrictions.

The regular management meetings that take place between Group management and the managers in charge of the subsidiaries and/or sales regions are another important element of the ICS.

An internal manual containing the corporate accounting guideline in line with IFRS is regularly updated and provides the basis for drawing up the annual financial statements, which must be included in the consolidated annual financial statement of the Sto Group. It ensures the uniform implementation of valuation and reporting rules throughout the Group. All balance sheets as well as income statements and statements of cash flows drawn up by the subsidiaries and other business units are audited by the Sto Group Accounting department to verify that they are correct, complete, and in compliance with the accounting guideline.

We ensure the correctness and reliability of our accounting processes by applying specific key figure analyses. We have various people process and check complex business transactions. The separation of administrative, executing, accounting, and approval functions, and the performance of these functions usually by multiple persons (dual control principle), also reduces the attendant risks.

A meeting focusing on the annual financial statements takes place for each significant operationally active subsidiary between the regional management board, representatives of Group Accounting, and, in most cases, the Executive Board member of STO Management SE responsible for finance as a representative of the Group's parent company. The local auditor is also present at this meeting. Additionally, the Group auditor, Internal Audit, Central Investment Controlling, or a national control committee – such as the Board of Directors – participate in the meeting if necessary. The rules of procedure for managing directors in the Sto Group include mandatory rules for correct conduct of different business processes, which must be adhered to throughout the Group.

The Internal Audit department monitors the transparency required for the increasingly complex corporate processes and the implementation of the growing compliance requirements. As an independent division, it reports directly to the Executive Board of the personally liable partner and its Chairperson of the Supervisory Board. The company's detailed compliance management system is aligned with the Group's risk situation. It monitors compliance with statutory amendments and internal Group guidelines and was prepared in accordance with the principles of the German Corporate Governance Code in the version dated 28 April 2022. The Sto Group has had a Chief Compliance Officer since 2018 and a Code of Conduct valid since 2019.

A standardised reporting system for compliance breaches is publicly accessible via our website at www.sto.de. This allows misconduct to be reported anonymously and to be comprehensively investigated around the clock, with whistle-blowers protected from sanctions. The system is open to employees,

[6] The chapters 'Opportunities and risks' up to and including 'Risk management system' contain the disclosures typical of the management report, which also deal with the Disclosure Requirement [ESRS 2 GOV-5] of the ESRS.

20250904057227

managers, customers, suppliers, and other stakeholders. It is administered by an independent operator and its data is stored on protected servers located in Germany. The contents of the reports are processed exclusively through Sto.

The effectiveness of the risk management and internal control system is regularly reviewed in accordance with statutory requirements. Internal audits are carried out by Central Investment Controlling, Group Accounting and Internal Audit, which examines the ICS and the risk management system as part of regular audits. The functionality and effectiveness of the risk management system is also analysed in order to contribute to an improvement in our understanding of risk. In addition, as part of the audit, the chartered accountant reviews, in accordance with statutory requirements, whether the system for the early detection of risks is suitable in all materialities for the early detection of facts that could jeopardise the continued existence of the company.

Process-independent audits are also carried out by the Audit Committee of the Supervisory Board.

With regard to the accounting process, the audit is carried out externally by our Group auditor and mandates, among other things, that inventory observations are carried out and the disclosure as well as the valuation of assets and liabilities are reviewed as part of the legally obligatory annual audit. The implementation of accounting standards is monitored by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin), while compliance with tax regulations is monitored by the audit authorities.

The Supervisory Board and, in particular, the Audit Committee receive regular information by the Executive Board of the personally liable partner STO Management SE, the auditor and Internal Audit.

Despite every care being taken to prevent them, it is not possible to completely rule out the occurrence of decisions based on personal judgements, flawed checks, criminal actions by individuals, or other circumstances that may impair the effectiveness and reliability of the deployed Internal Control and Risk Management System. Additionally, even seamless application of the deployed systems cannot fully guarantee the correct, complete, and timely recording and reporting of facts in the Group accounting.

**Risk management system**

For the active management of risks, Sto uses a comprehensive **risk management system (RMS)**, which forms an integral part of the business, planning, and control processes. This system allows us to identify and analyse risks in good time, to assess the expected effects on the assets and liabilities, financial, and income situation, and – where necessary – to introduce appropriate countermeasures.

The most important component of the RMS is the **reporting system**, which records all operational activities in the Group both quantitatively and qualitatively in accordance with a specified scheme. Through constant monitoring of defined key figures, we are able to identify undesirable developments at an early stage and quickly initiate countermeasures. Various risk categories, guidelines for assessing risks and procedural instructions for each Group company are set out in a binding Group-wide **risk manual**. Risk management is handled using risk management software that enables the efficient and transparent administration of risks.

By determining and analysing the **risk-bearing capacity**, which is defined as the maximum extent of risk that the Sto Group can bear over a period of time without endangering its own continued existence, an assessment is made as to whether there is a risk to the assets, liabilities, financial position and profit or loss. The prerequisite for this is the determination of a company-wide risk-bearing capacity in relation to the overall risk position, with the company-wide overall risk position being derived from the gross risk less the effect of the risk management measures. The risk-bearing capacity was defined on the basis of KPIs (key performance indicators) and threshold values that would indicate possible over-indebtedness or insolvency. The Sto Group's refined risk management and early warning system provides prompt notification should the overall risk position reach a critical level in relation to risk-bearing capacity. This is to ensure that countermeasures are taken in good time to keep the overall risk within an acceptable range. Quantified risk reduction measures are requested from the individual companies in order to determine the Sto Group's overall risk position. These are deducted from the gross overall risk, resulting in the overall risk position. In 2024, the overall risk position of the Sto Group – as determined via the risk inventory – was below the threshold values defined for indicating a problem in relation to the risk-bearing capacity.

A **risk inventory** is carried out once a year in order to categorise all current risks in a timely manner. We form risk classes for both quantitative and qualitative individual risks in order to indicate the materiality of the potential impact of risks on the Sto Group. The risks in risk class 1 are considered to be the highest level of risk. For the classification of risks in the risk matrix, both the probability of occurrence and the possible extent of loss or damage at which the gross risk is assumed are taken into account. The managing director of or the person responsible for the respective business unit is required to notify the central investment controlling department immediately of any new risks which are identified in the course of the year.

We have assigned each of the risk areas to a risk class. The development of each individual risk area is also indicated, categorised as remaining the same, decreasing or increasing compared to the previous year.

**Explanation of the probability of occurrence**

| | |
|---|---|
| Low | < 5 % |
| Moderate | 5 % to 20 % |
| High | 20 % to 50 % |
| Ver high | 50 % to 100 % |

**Explanation of extent of loss or damage**

| Extent of loss or damage | | Definition of the extent of loss or damage |
|---|---|---|
| Serious | > EUR 29 million | Significant negative impact on earnings |
| Significant | EUR 14 million to EUR 29 million | Noticeable negative impact on earnings |
| Moderate | EUR 7 million to EUR 14 million | Negative impact on earnings |
| Low | < EUR 7 million | Slightly to moderately negative impact on earnings |

**Material risks**

| Risk area | Risk class | Development |
|---|---|---|
| Sales risks, overall economic and industry-specific risks | 1 | ↑ |
| Dependence on weather conditions | 1 | → |
| Legal risks and warranty risks | 1 | ↑ |
| Risks in procuring raw materials, bought-in products, and energy | 2 | → |
| Geopolitical and country-specific risks | 2 | ↑ |
| IT risks | 2 | → |
| Financial risks | 2 | → |
| Human resources risks | 3 | → |
| Risks concerning processes and added value | 3 | → |
| Climate and environmental risks | 3 | → |
| Tax-related risks | 3 | → |

The change is generally based on the revised expected value, formed from the probability of occurrence and the extent of loss or damage.

### Effectiveness Statement Internal Control System and Risk Management System[7]

The Executive Board of the personally liable partner STO Management SE has initiated and implemented an integrated approach to governance, compliance, and risks that aims to ensure adequate and effective internal control and risk management. The measures implemented within the context of this approach aim to ensure the effectiveness and adequacy of internal control and risk management, and are described in the Risks and opportunities report, for example. The measures also include processes and systems for entering and processing sustainability-related data. Independent monitoring and audits take place, especially through audits by the Internal Audit division and its reporting to the Executive Board of the personally liable partner STO Management SE as well as to the Audit Committee of the Supervisory Board, and through other external audits. Based on the examination of the Internal control and risk management as well as the reporting of the Internal Audit function, the Executive Board of the personally liable partner is not aware of any significant circumstances that speak against the adequacy and effectiveness of these systems.

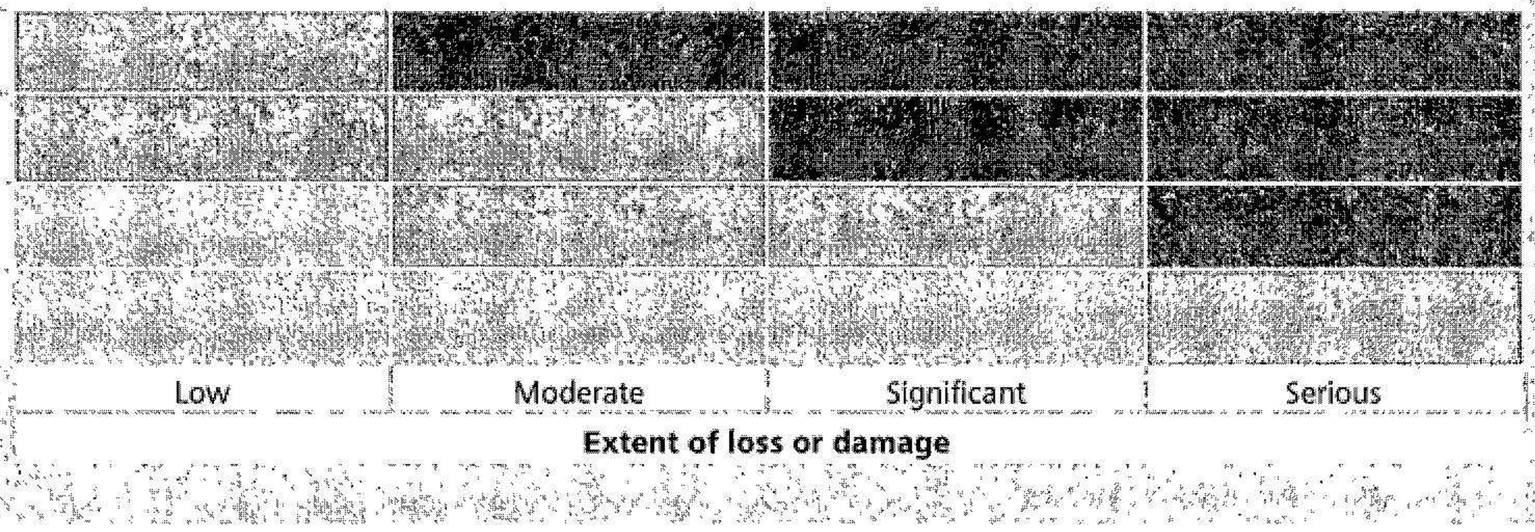
### Material risks

The risks described below and their potential impacts on the Sto Group do not constitute an exhaustive description of the risks to which we are exposed. Risks that were not known at the time this report was prepared or that appeared insignificant could also affect our business activities in the future.

[7] The disclosures in this section are so-called non-management-report disclosures. The recommendations of the German Corporate Governance Code in the version published in the Bundesanzeiger (German federal government gazette) on 27 June 2022 stipulate disclosures on the internal control system and the risk management system that go beyond the statutory requirements that are placed on the Management report and that are hence excluded from the audit of the Management report in terms of content by the auditor (non-management-report disclosures).

**Risk matrix**

Risk class 1 (high to very high level of risk)
Risk class 2 (moderate level of risk)
Risk class 3 (low level of risk)



20250904057 28

**Sales risks, overall economic and industry-specific risks**
Overall, we anticipate increasing risks for future sales of Sto products in the short to medium term. From today's perspective, however, these will not be significant in the long term, since the extensive stock of older buildings in principle offers a very high sales potential for facade systems.

Sales of building products, and thus also of the Sto Group's products and systems, are heavily dependent on developments in the construction sector. In some cases, demand reacts directly to the general economic situation as well as general economic and tax policy conditions. A downswing in the main construction sector may lead to high levels of surplus capacity and intense competition accompanied by strongly declining prices.

Significant increases in procurement prices and the rise in interest rates are making construction and renovation measures more expensive and may trigger a reluctance to invest on the part of property buyers and owners and thus a drop in demand for Sto products.

The energy price level, in particular the price of crude oil and natural gas, which has a significant influence on the amortisation period of energy-related investment measures, also determines the demand for building products. If energy prices continue to fall or remain low, the entire sector faces the risk, however unlikely in the current environment, that it will be unable to fully exploit the existing sales potential.

Demand in Germany – Sto's largest single market – plays a crucial role. In particular, the public debate in Germany in the past about the use and ecological consequences of facade insulation systems is causing great uncertainty among investors. As the market leader, Sto may feel an above-average impact, which in turn may be reflected in corresponding levels of turnover and income losses. We counteract this risk through objective, fact-based communication and consistent quality management. As part of our association activities, particularly through our membership of the Verband für Dämmsysteme, Putz und Mörtel e.V. (Association for Insulation Systems, Renders, and Mortars, VDPM) and the Bundesverband energieeffiziente Building Envelopes e.V. (BuVEG), we also provide information on the product properties of facade systems in order to strengthen the confidence of users and investors in the long term.

Delays in political decision-making processes with regard to state subsidy measures and, in particular, an inconsistent subsidy policy pose a risk for Sto. If potential building owners continue to hold back on investments, this would result in an additional temporary drop in demand. Sto is addressing this risk through steps such as an objective line of reasoning intended to raise awareness among bodies and decision-makers involved in the process.

We counter the risk of external wall insulation systems being substituted with competing products by continually developing the quality, safety, environmental compatibility, and efficiency of our solutions. Advanced technological developments are also incorporated, giving Sto additional opportunities to tap into new growth areas and set itself apart from the competition. Inherent system weaknesses can be recognised through the analysis of product life cycles, allowing deficiencies that arise over time to be detected and eliminated.

New technological and social trends, in particular the advancing digitisation in all areas of life, offer Sto opportunities for growth on the one hand by opening up new areas of business or improving process efficiency, but are also associated with risks. For example, Sto could be excluded from projects if digital requirements on the part of customers are not met or technological advances are not implemented. Sto has set up a comprehensive digitisation programme with a wide range of projects that incorporates almost all processes within the Sto Group. The aim is to exploit the opportunities arising from digitisation even more consistently for Sto and to integrate new digital products and services into the product range.

A significant rise in demand would be accompanied by the risk that it may not be possible to exploit sales potential to its full extent, at least over the short term, due to factors such as limited capacity in traditional trade enterprises. In addition, there is a significant increase in recruitment difficulties, particularly in the specialised trade, which could lead to an additional reduction in capacity. We counteract this risk through our varied activities in the promotion of young talent, including through the Sto Foundation, as well as through the qualification of our customers.

We generally counter the aforementioned sales risks by internationalising our business activities, which ensures regional diversification and makes us less dependent on material-related variations in individual countries. The risk is additionally spread thanks to the breadth and depth of the range, as well as the large customer base. Political decision-makers have committed themselves to pursuing aims relating to energy savings and $CO_2$ reductions more vigorously, which is increasing the likelihood of favourable general conditions being achieved.
(risk class 1)

**Dependence on weather conditions**
A major proportion of Sto's products is used on the exterior. This means that their application is dependent on weather conditions, something that Sto is unable to influence. Relevant factors are low precipitation and appropriate temperatures. In particular, harsh and long winters at the beginning and/or end of a calendar year may result in turnover losses which may not be fully recovered due to limited processing capacity. The same applies to sustained periods of rainfall and hot spells. Conversely, favourable weather conditions can have a positive effect on business development. In most cases, weather-related fluctuations in turnover also have a significant impact on Sto Group earnings.
(risk class 1)

### Legal risks and warranty risks

Sto is confronted with amendments to international and national general conditions in the USA, Great Britain, Canada and the European Union, among others. These include, for example, amendments to statutory warranty periods, which can also be made with retrospective effect, or the arbitrary introduction of customs duties. The EU regulation against greenwashing adopted in May 2024 also has impacts on the Sto Group. The new regulation provides for stricter requirements for the presentation of information on the environmental properties of products and companies, which has significant consequences for Sto's labelling obligations, among other things. As some of the amendments are implemented unannounced and are therefore unpredictable, considerable risks may arise for the Sto Group.

The legal risks to which we are potentially exposed include anti-corruption law, antitrust law, patent law, tax law, competition law, product liability, data protection and environmental protection. These can damage our reputation and have a negative impact on the Group's success. To ensure adherence to laws and regulations, we have established a compliance management system. This does not exclude procedural costs and other related expenses that may arise in connection with the above legal risks and could have a material impact on our earnings.

Continuous research and development activities and the introduction of innovations are of strategic importance to Sto. They open up opportunities to tap into additional markets and buyer groups and to strengthen the loyalty of existing customers to the Sto Group. In addition, the analysis of product life cycles contributes to a higher risk transparency.

At the same time, however, innovations can involve risks. While new Sto products or product versions are only ever launched on the market once they have undergone extensive testing, it is not possible to completely rule out the possibility of warranty claims being made against Group companies. We reserve the right to react appropriately to recognised risks through adequate innovations, modification of mature products, or the adjustment of relevant processes.

As part of the European Green Deal, the last EU Commission endeavoured to comprehensively reform chemicals legislation. Under the 'Chemicals Strategy for Sustainability', various legislative initiatives were being driven forward, pursuing goals such as a pollutant-free environment, pollutant-free recyclable material cycles and the transition to inherently safe and sustainable chemicals. Various statutory regulations have now come into force or are about to be adopted. However, the draft revision of the REACH Regulation, a centrepiece of the 'Chemicals Strategy for Sustainability', was not presented during the last legislative period. The new EU Commission has now presented its plans for the 'Clean Industrial Deal' and announced a 'Chemicals Industry Package' for the fourth quarter of 2025, which will also include a proposal for the revision of the REACH regulation. In the coming years, further bans and restrictions on chemical substances and their use are to be expected which will affect the manufacturers of chemical substances, but also 'downstream users'. Sto actively accompanies the development of these initiatives in order to recognise potential risks that could result for the Group in advance and to develop alternatives so that safe and high-performance products for sustainable construction can continue to be offered in the future.

As the range of products we provide is rounded off by supplementary services, Sto is exposed to legal risk in the form of liability associated with consultancy services. For example, employees of Sto SE & Co. KGaA provide our customers with support in relation to tenders, quotations, technical issues, and building design details. Sto's in-house Liability Directive instructs all employees on how to handle such issues both internally and in their dealings with customers. This clear set of guidelines has led to a marked and transparent reduction in risks.

In order to further limit the risks of liability in our activities outside, we engage the services of external consultants during decision-making procedures where necessary, including in relation to technical aspects.

For the Sto Group, protecting the personal rights of customers, employees, shareholders, business partners, and suppliers is an important and self-evident objective. When the General Data Protection Regulation (GDPR) came into force on 25 May 2018, data protection became a much more pressing topic. All Sto companies subject to the scope of the GDPR have adapted to the new requirements and implemented governance structures and processes accordingly.

As a result of the increase in risks in comparison to the previous year, resulting in particular from the sometimes unforeseeable and current amendments to general conditions, the overall risk has increased compared to the previous year and has been upgraded to risk class 1.
(risk class 1)

### Risks in procuring raw materials, bought-in products, and energy

To manufacture its products, the Sto Group uses a wide range of raw materials such as lime, marble, and quartz sands, as well as dyestuffs and binders such as cement or dispersions. Risks arise from the trend towards consolidation in procurement markets, from supplier capacity shortages, from insufficient availability of raw materials or relevant energy sources for the production of raw materials, purchased products and own products, from political unrest, war, increasing trade barriers or natural disasters. These could lead to delays or disruptions in supplies to Sto. As well as this, a rise in demand for certain raw materials and goods could cause supply shortages.

Obstructions or disruptions in the logistics chain can also affect the supply of goods to Sto, for example due to more

20250904057 29

difficult border traffic, a lack of transport capacities or containers and limited or no fuel supply. In addition, the redirection of required goods to other consumers can lead to disruptions or interruptions in supply. The adverse effects can range from delivery bottlenecks to delivery stops for the Sto products affected, with corresponding negative consequences for the Sto Group's turnover and earnings. Such bottlenecks may also trigger recourse claims from our contractual partners.

The use of AI-based risk management software, which we introduced across the Group, helps us to identify weaknesses and risks in the supply chain at an early stage, and enables us to take proactive countermeasures.

We counter the risks identified through forward-looking procurement planning, early conclusion of contracts with our partners and suppliers, a consistent multiple-supplier principle, international sourcing and stock levels adapted to the situation. Additionally, the Sto divisions involved in procurement, R&D, and production continually work to optimise the use of materials and make it more flexible in order to ensure a sustainable supply of the raw materials that are needed. To this end, alternative materials and suppliers are also taken into consideration. We reduce logistics risks through the Sto logistics network, which relies on various service providers and includes anticipatory stockpiling. The substitution of individual energy sources is being examined and realised as soon as possible. If risks materialise, task forces are established immediately to define and implement adequate actions to minimise the impacts of the risks that have arisen.

An imbalance between supply and demand in the case of the materials and resources required by Sto could, depending on the extent, also lead to drastic changes in procurement prices and, in turn, have corresponding consequences for the income situation. There is a price dependency for raw materials and bought-in products based on crude oil. These include dispersions and polystyrene insulation boards, for example, as well as plastic containers such as Sto pails. Price interdependencies due to the energy price level arise in energy-intensive manufacturing processes and through the impacts on transport costs for homogeneous bulk goods. We also estimate that demand for speciality chemicals, for which there are a small number of suppliers available worldwide, is likely to increase further. In the long term, it can be assumed that the price trend will be upwards.

In the Sto Group, strong increases in procurement prices could trigger a significant rise in material costs. As it is not usually possible to pass price increases on to customers in the short term. This may cause the cost of goods sold to rise and reduce the Sto Group's earnings substantially.

In view of the number of items we handle and our procurement volume, bought-in products are becoming increasingly important for Sto. For this reason, we have an independent group focusing on quality assurance for these products and expand it gradually. In addition to actually monitoring the quality of bought-in products, we are also ramping up our efforts to conclude quality agreements with specific terms and carry out supplier audits.
(risk class 2)

**Geopolitical and country-specific risks**

The further escalation of the conflict between Russia and Ukraine and the resulting acts of war, as well as the conflict in the Middle East, have significantly increased the overall geopolitical risks. Political conflicts, armed conflicts and other geopolitical crises in the regions in which Sto operates can make market conditions or access, the supply of relevant raw materials and bought-in products and the use of transport routes more difficult or impossible. Sto constantly monitors developments in affected countries and reviews its investment and market cultivation strategy in order to minimise risks.

The share of turnover that we generated in Russia and Ukraine in previous years was less than 1 % of Group turnover. Also, the raw materials and bought-in products that Sto purchases directly from Russia and Ukraine have been and continue to be negligible in terms of their extent.

The consequences of the war and the sanctions introduced, the conflict in the Middle East and other trouble spots and disputes are also expected to have negative impacts on the global economy this year and in subsequent years. An increase in energy prices, procurement prices overall and the risk of inflation as well as disruptions to supply chains and the associated restriction in the availability of goods and resources cannot be ruled out.

The new US administration's current statements and communicated considerations regarding its views and approach to selected states and regions, such as China, Panama and Greenland, are causing uncertainty and possible risks.

The future development of the geopolitical situation can hardly be reliably assessed at present. Significant growth losses can occur. Furthermore, the conflicts are creating new geopolitical scenarios, which means that the uncertainty and negative impact on the development of the global economy and international capital markets could increase dramatically overall. This particularly applies if the conflicts should spread geographically or extend over a long period of time, neither of which can be ruled out. Another serious geopolitical risk comes in the form of a possible escalation in the relationship between China and Taiwan.

Sto is confronted with existing and possible future amendments to international and national general conditions in the USA, Great Britain, Canada and the European Union, among others, including with regard to customs duties. The resulting risks were presented under the risk 'Legal risks and warranty risks'.

The continuous internationalisation of our business activities is one of Sto's material strategic targets, spreads the

entrepreneurial risk and partially offsets fluctuations in individual countries. This means that Sto is very well diversified in regional terms.
(risk class 2)

**IT risks**
A substantial proportion of all business processes as well as interactions with customers and business partners at Sto relies on IT systems and components. The Group's core systems come from the providers SAP, Salesforce and Microsoft. Disruptions such as system failures, attacks on networks and the loss or manipulation of data can jeopardise processes such as Sto's 'Order to Cash' and result in financial damage and loss of reputation.

The risks are detected through an active information security management system (ISMS). This is used to develop and monitor measures. These are implemented by a team of internal and external IT security experts and are subject to regular audits. A significant increase in the number of detected attacks was recorded in 2024. Further measures will also be necessary in the future to address the increasing risk of cybercrime.

The Zero Trust model is an important building block of Sto's security strategy. This means that IT systems are preferably sourced from cloud service providers, provided that this makes economic and technical sense. These have a very high level of IT security, from which Sto benefits. In Germany, the providers must be able to demonstrate GDPR compliance and have an information security certificate that is recognised by the German Federal Office for Information Security (Bundesamt für Sicherheit).

The implemented and planned measures address the following main priorities:

Continuity:
The core systems necessary to the company's operating business, such as SAP, for example, are deployed in redundant and fully virtualised form. This ensures maximum continuity of the systems and the appurtenant services. The data in the cloud solutions is also secured in the event of catastrophic outages of the cloud solution. Increasingly, essential IT services are available in the cloud, meaning that fewer and fewer relevant services are being provided in the company's own computing centre. In order to bring our customer and back office processes up to the higher standards set out in our policy, we decided in favour of implementing the SAP S/4HANA ERP system. During the project, security is treated as an integral part so that process security, technical security or user access rights are ensured.

Operationally relevant IT services are available in two independent and physically separate computing centres thanks to redundancy. Data critical to the company is backed up daily and stored separately. In subsidiaries, only country-specific IT systems are operated for strategic reasons. Terminal devices such as laptops, desktops, tablets, and smartphones are managed centrally and continually updated as part of a lifecycle approach.

In 2024, we also improved our governance for business continuity and sharpened clearly defined processes and management bodies with regard to cyber attacks.

Integrity:
To prevent unauthorised access to the information systems of Sto SE & Co. KGaA and its fully integrated subsidiaries, we use state-of-the-art IT security solutions that are available on the market. These are used to protect data, terminal devices, local networks, wide-area networks and computing centres. The IT regulations define our restrictive approach to issuing access authorisation, which is based on the principle of least privilege. The 'cloud-first' strategy ensures that company-related data is stored, processed, and secured in compliance with GDPR rules. Users of IT systems are authenticated largely via a centralised and standardised identity and access service, which provides security functions such as multi-factor authentication, plausibility checks, application level protection, and monitoring. As more technical security measures are implemented to increase protection, employees are becoming less adept at recognising and dealing with threats such as phishing. Training measures on the topic of cyber security were therefore also an important task in 2024. Therefore, warnings and recommended courses of action are published on a regular basis within Sto's internal communication channels. Furthermore, a knowledge database supports our workforce in dealing with cyber risks. We also use artificial intelligence to recognise patterns in cyber attacks. This allows us to react much faster than before. To ensure high availability, we have also protected our backups against cyber attacks.

Availability:
The redundant configuration of all core systems and network connections ensures maximum availability for all key business processes. An automated monitoring system serves to continuously monitor system availability. Risks from system failures and the inability to update software components are minimised by successively modernising all relevant components. The continued standardisation of the IT environment helps to reduce complexity and increase efficiency in the implementation of security measures. As part of the Retrofit project in the production environment, an ongoing rollout will ensure that the IT systems meet modern Industry 4.0 requirements, are operated in specially protected networks and are procured and deployed in a technologically future-proof manner.

Sto is actively driving digitisation, which is leading to changes in construction methods and processes in the construction and building materials industry, among other things. Targeted investments can be used to exploit new digital developments and increase efficiency, for example through better management of inventories and production processes. A lack of progress in digitisation could lead to a loss of efficiency and competitiveness.
(risk class 2)

20250904057730

**Financial risks**
If a contractual partner is unable to fulfil its obligations or is unable to fulfil them on time, receivables risks arise. To limit the financial consequences potentially arising from this, a credit management system has been implemented in the Sto Group. This takes into account the specific conditions prevailing in individual countries. In selected markets, the risk of default on receivables is also countered through the use of commercial credit insurance. Trade receivables are assessed on the basis of the creditworthiness of the respective customer. Information and other data are collected and continually updated to assess the credit quality of financial assets that are neither overdue nor impaired. The default risk of financial assets in the form of trade receivables was taken into account by means of impairments.

As a result of the internationalisation of its business activities, the Sto Group is exposed to currency risks. To control these, we carry out currency forwards that usually have a term of up to one year. Throughout the Group, relevant risks from foreign currency cash flows are analysed, recorded, and, where possible, reduced by applying suitable hedging measures at the budget creation stage. Our main focus is on the currencies of countries with which we maintain regular supply and cash flows necessary to maintain business operations. In the financial year of 2024, this applied to Switzerland, Sweden, Poland, Norway, and Hungary, among others. In specific cases and where necessary, we perform additional hedging. The changes in fair value were recognised in the statement of profit or loss with an impact on profit or loss in the year under review.

As a result of seasonal variability, our demand for liquidity to finance current business is subject to significant fluctuations. There is a particular need for cash in the first few months of a calendar year, whereas cash inflows dominate during the second half of the year. Risks arising from these fluctuations in payment flows are limited at Sto by the liquid funds. In addition, Sto SE & Co. KGaA has a sufficient and contractually secured variable credit facility of EUR 100.0 million as part of a syndicated loan agreement originally due to expire in April 2027, which has two extension options of one year each until 2029. In the meantime, the first extension option has been utilised, meaning that the term is currently agreed until April 2028. It includes a standard market financial covenant. If this is not met, the banks generally have the option of terminating the credit agreement. We counter the resulting risk of drawn credit tranches being called in under the syndicated loan agreement by permanently monitoring and simulating key figures and implementing measures to secure earnings. Furthermore, the syndicated loan agreement includes two individually agreed upon key performance indicators (KPIs). These were selected from the areas of environmental protection and corporate governance. Depending on the achievement of the KPIs, the interest margin may decrease or increase.

In connection with the portfolio of derivative financial assets, there generally are default risks due to the risks of financial institutions or issuers failing to honour their obligations. The resulting risk was controlled by means of diversification and the careful selection of counterparties.

Investments in bank term deposits, government and corporate bonds are subject to default risk, in that commercial banks and issuers may be unable to meet their repayment obligations when due. For the Sto Group's financial investments, we follow the principle of prioritising security over returns. By and large, the Sto Group's financial investments are with banks that have good credit ratings, and in corporate bonds with first-class ratings. Financial investments with banks are partially covered by existing deposit protection schemes.

In order to reduce our exposure to liquidity risks, we also maintain intensive communication with our banks and operate an active financial management system. This includes the use of derivatives in the form of interest swaps as a means of reducing the risk of changes in interest rates in the case of long-term, interest-bearing liabilities to banks. We did not make use of interest rate swaps in the 2024 financial year.

Sto's treasury activities have been pooled and are handled in an independent department. This measure secures the recognition and control of financial resources for internal and external financing, and supports financial risk management. There are standardised hedging strategies for foreign exchange transactions worldwide with regard to foreign currency risks from the underlying transaction. There are clear rules and regulations for financial investments and for internal and external financing within the Sto Group, which are set out in a modular treasury directive. Accordingly, hedging may only be concluded with approved counterparties to hedge existing underlying transactions or planned transactions. The Group-wide implementation of a centralised treasury management system and a payment transaction system integrated into SAP has further improved transparency and security.

Unforeseeable events such as fire, explosion and natural disasters could cause damage to property and assets. We insure the loss and the resulting risk of business interruption with internationally renowned insurance companies. Third-party liability damage caused by Sto or Sto products is also covered by insurance. We bear minor damage ourselves; in the case of major damage, sufficient cover is provided at standard market rates. In spite of our meticulous approach, the insurance coverage may turn out to not be high enough in isolated cases. The US insurance industry currently does not offer any sufficiently comprehensive and economically viable insurance coverage for product risks of facade systems and coatings. The effects of potential damages or liability claims in the USA on the financial and income situation of the Sto Group cannot be assessed reliably on account of the country's legal system. We carry out regularly reviews and perform risk assessments in order to minimise the risk of underinsurance. For advise in this area, we engage the service of an internationally operating and experienced industry insurance broker.
(risk class 2)

**Human resources risks**
The expertise and enormous dedication of the Sto employees are amongst the key building blocks of our success. If, in the light of competition for skilled specialists and managers, we do not succeed in recruiting appropriate personnel, this may have a negative impact on the development of the Sto Group. This risk may become even more serious in the medium to long term due to demographic trends, particularly in western industrialised countries. This makes it more difficult to find talented young professionals, and the number of people leaving the company for reasons of age will increase, resulting in loss of knowledge.

Sto SE & Co. KGaA implements numerous measures to eliminate these risks and position itself as an attractive employer. For example, we provide extensive career development opportunities as well as excellent further and advanced training, and we take steps to make the reconciliation of family and working life easier, for example through attractive regulations regarding working from home. This is to enable us to win over new professionals and managers, as well as foster the sense of loyalty felt by employees already working for the Sto Group. Furthermore, Sto is exploring the possibilities of using artificial intelligence and is carrying out measures to increase efficiency which helps to reduce a lack of human resources.
(risk class 3)

**Risks concerning processes and added value**
Events outside of our control, such as natural disasters or fire, can heavily compromise production or operating processes in particular. This could in turn lead to bottlenecks or even stoppages resulting in a deviation from planned production volumes. We counteract such risks by introducing fire precautions, for example, and – when financially viable – by taking out insurance coverage.
(risk class 3)

**Climate and environmental risks**
Production at Sto takes place in modern, largely automated plants. This means that manufacturing processes pose only minor environmental risks. In addition, an environmental management system certified to international standards has been installed in various Sto Group companies. Please refer to the section 'Certified quality management' for more information about our environmental protection measures.

The general climate change and man-made environmental damage pose risks for the economy as a whole and for Sto. In addition to individual extreme weather events such as regional heat waves and droughts, flooding or natural disasters, climate change also leads to long-term changes in the general conditions. These include, for example, precipitation frequency and amounts, weather volatility and a rise in average temperatures. These could temporarily make it impossible to work on construction sites and would have an impact on the company's business performance.

The effects of climate change are a concern for society, politics and the economy worldwide. As a result, sustainability, environmental protection and climate change are no longer niche topics. The necessary transformation to an increasingly decarbonised economy that is now on the horizon could result in far-reaching political, legal and technical changes that could have a significant impact on our markets in order to meet the requirements of climate protection and adaptation to climate change. Depending on the type, speed and focus of these changes, Sto may be exposed to varying degrees of financial and reputational risk, but also opportunities. Increasing awareness of the serious consequences of climate change will lead to a change in consumer and investment behaviour.

Political actions to curb climate damage could, for example, lead to an increase in the price or scarcity of fossil energy sources, from which the Sto Group is likely to benefit on the sales side due to its business activities. As part of our planning processes, we regularly monitor external early indicators and initiate appropriate actions to address these changes.

At Sto, measures and products that contribute to decarbonisation and hence to the reduction of $CO_2$ emissions make up an essential part of the business model. The Sto Group consistently focuses its organisation on sustainability and provides its customers with resource-efficient solutions that make a direct contribution to the reduction of energy consumption and $CO_2$ emissions. We are also working continuously to reduce our own carbon footprint.
(risk class 3)

**Tax-related risks**
As a Group operating worldwide, Sto is subject to different tax legislations and regulations in various countries. Amendments to these legislations and regulations can have a significant influence on the tax receivables and liabilities as well as on the deferred tax assets and liabilities of the respective companies of the Sto Group. Moreover, uncertainty in terms of tax in some regions can restrict the company's ability to exercise its own rights.

Sto also operates in countries with complex tax regulations which could be interpreted in various different ways. Any future interpretation or development of the tax system could impact tax liabilities, profitability, and business activities.

Sto counters this risk, for example, by applying a transfer pricing system that meets the requirements of the Organisation for Economic Cooperation and Development (OECD).

Sto is subject to regular audits by financial authorities in relation to taxes and levies. Tax and duty-related risks are identified and evaluated on an ongoing basis with the support of local, external tax specialists. As part of our tax compliance management system, we proactively develop actions to minimise or avoid systemic risks and implement them in the relevant business area.
(risk class 3)

20250904057 31

**Overall risk exposure**
The assessment of the overall risk for the Sto Group is carried out using our risk management system. Following the assessment of current and potential future individual risks, and taking into account the countermeasures already initiated and the opportunities for Sto, the Executive Board of the personally liable partner STO Management SE has come to the conclusion that no assessable risks are discernible at present that could have enduring and significant adverse consequences for the asset, income, and financial situation of the Sto Group.

The Executive Board of the personally liable partner STO Management SE is aware that the risks to business activities presented are based on current assessments that may prove to be incorrect in the future.

## Opportunities report

In the long term, we consider the opportunities for the development of the Sto Group to outweigh the risks, as both the business environment and our own strengths offer a wide range of opportunities for future growth. They are subdivided into these categories below, but also overlap in some cases.

**Opportunities from the environment**
Emissions in the building sector are an important factor in climate change, accounting for a significant share of total greenhouse gas emissions. In Germany, around 30 % of $CO_2$ emissions are attributable to the building sector; worldwide, the figure is around 38 %. One of the most effective methods of reducing this is the improvement of energy efficiency in buildings. This allows us to reduce the amount of energy required for their operation, which in turn leads to a reduction in emissions.

Sto products and systems improve the energy efficiency of buildings and contribute to climate protection, so that in the long term a surge in demand is expected in the market segments in which we operate. In addition, an insulated building is essential for the efficient use of heat pumps. Particularly with older buildings, the insulation needs to be customised for each property. The advantages of good building insulation, which not only reduces $CO_2$ emissions but also saves energy and thus costs, offer great sales opportunities worldwide.

Despite this great potential, the market volume in Germany has not increased in the last ten years. This is in stark contrast to national and international climate targets and shows that growth must be accelerated – for example, with funding programmes for investors to make their buildings more energy efficient. In several countries, it has been shown in recent years that a targeted funding system can provide a very positive impetus – for example in France, Italy, Spain, Poland, the Czech Republic and Hungary. In those countries, appropriate funding measures have triggered a strong increase in demand, revitalised construction activity and improved the efficiency standards of both new and existing buildings. If such programmes are implemented in Germany or other countries, there will be additional opportunities for sales of facade systems, from which Sto, as the world market leader, should benefit.

At EU level, the Green Deal, in particular, can drive further demand for external wall insulation systems. The EU has defined ambitious targets. Among other things, the plan is to achieve net greenhouse gas neutrality by 2050. Although the details of how the targets are to be achieved have not yet been set out, their implementation is likely to trigger a surge in renovation in the construction sector. According to the European Energy Performance of Buildings Directive (EPBD), member states must gradually reduce the average primary energy consumption of the entire residential building stock – by 16 % by 2030 and by 20 to 22 % by 2035. These requirements harbour great market potential for Sto.

The need for energy-efficient building refurbishment is further accelerated by the sharp rise in gas and heating oil prices in recent years. The economic benefits of having good thermal insulation become much more important as energy costs rise and the initial outlay is amortised much faster.

Not only in Germany, but in many countries worldwide, there is a lack of adequate living space. In our view, this will lead to additional new construction projects in the future, which will increase the market volume for Sto.

If the economy in Sto's key markets develops better than expected, there will be additional opportunities for organic growth under our own steam. The slight improvement in financing conditions in the property sector, which began in the final months of the 2024 financial year, could also drive demand in individual segments. In regional terms, we see growth opportunities outside of Germany in particular. That is why Sto is constantly examining additional promising sales regions and intensifying its activities in countries where the company is already represented.

**Opportunities from the company's strengths**
The chapter on external opportunities has already explained that Sto's business model offers considerable potential for growth. Sto technologies cut heating costs, reduce $CO_2$ emissions and make a significant contribution to independence from energy imports.

At the same time, Sto products increase the value retention of properties. They protect buildings from wear and tear, e.g. corrosion, and extend maintenance and life cycles. In doing so, we are supporting the targets set by the Federal Environment Agency (Umweltbundesamt) in Germany to prioritise the preservation, further development and conversion of existing building stock. We also support the preferential use of recyclable and renewable raw materials and the reuse of materials through our business model.

There are opportunities for future growth not only in facade systems, but also in our other product areas, where we benefit from the Group's broad positioning with regard to different markets and customer groups. This usually allows us to balance out fluctuations in individual market segments. Our innovative, optimally coordinated product range meets the requirements of the respective markets, is continuously expanded and optimised by new technological developments and digital tools, serves the needs of many target groups and gives building owners maximum individual design freedom. The Sto Group's development is also supported by its broad sales base, customer-focused logistics and the internationally successful 'sto' product brand.

Technical advances also present Sto with an opportunity. For example, complete solutions with a high degree of prefabrication are a good way to increase efficiency in construction. They have a number of advantages in the area of facade panels, among others, as these can be produced in advance in the factory. This shortens the construction time, the application is independent of the weather, they are easier to install, the shortage of skilled labour is avoided and, in terms of the appearance of the facade, a wide range of designs can be realised. Sto has been working on this topic for several years, particularly in the USA - supported by innovative digital tools.

The extensive expertise and commitment of our employees are essential to achieving our goal of profitable, capital-efficient growth. Thanks to their commitment, experience and expertise, we are able to manage fluctuations in demand and capacity utilisation and to deliver on our value proposition to our customers even in a difficult environment. Our employees, who we consistently support and want to keep in the company in the long term, are thus making a significant contribution to exploiting the existing market potential.

Another success factor is the trusting relationship with our customers. We are considered a competent, reliable, financially sound partner who values continuity and is known for its high delivery reliability. This increases our chances of retaining existing customers in the long term and acquiring additional customers in new and existing market segments.

Our solid liquidity and equity base, which makes us largely financially independent and enables us to react quickly to fluctuations in demand, also has positive effects. This means that we are in a good position to withstand economic downturns for longer than others, which particularly strengthens our position in difficult phases.

20250904057732

# E. Outlook report

The Outlook report contains future-oriented statements that are based on the information currently available and the current assumptions and forecasts of the personally liable partner of Sto SE & Co. KGaA. These forecasts are subject to uncertainties and may therefore deviate significantly from actual developments.

The chapter 'Risks and Opportunities report' contains risks and opportunities that could lead to significant negative or positive deviations from the forecast developments, beyond the statements and assumptions in the forecast report.

**Global economy**
According to current forecasts by the International Monetary Fund (IMF), the global economy will expand by 3.3 % in 2025, slightly more than in the previous year. An increase of 1.9 % is expected in the industrialised nations, while the economy in the developing and emerging countries is expected to pick up by 4.2 %. In its World Economic Outlook (WEO) published in January 2025, the IMF rates the development as stable, but not very strong. In addition, the differences between the various countries continue to grow. GDP in the USA is expected to increase by 2.7 %, while the Chinese economy is forecast to grow by 4.6 %. In the eurozone, on the other hand, growth of only 1.0 % is expected. This is largely due to the further lowering of expectations for Germany, which is now only expected to be able to increase its GDP by 0.3 %. This does not take into account the spending package agreed by the German government in March 2025, which could influence growth expectations for Germany.

According to the IMF, the impacts of the crises in the European energy sector and the Chinese property market are among the major uncertainties affecting growth in the global economy. In addition, there is the risk of an intensification of trade conflicts due to the tariff increases threatened and in some cases already implemented by the new US administration. They would primarily affect heavily export-orientated countries such as Germany. Increasing protectionism would also lead to rising prices and thus a renewed rise in inflation.

**Trends for the international construction industry**
According to estimates by the Hauptverband der Deutschen Bauindustrie e.V. (Main Association of the German Construction Industry), turnover in real terms in the **German main construction sector** will fall by 1.4 % in 2025. A 5.0 % decrease is expected in residential construction in 2024 due to the sharp decline in the number of building permits, while commercial construction (+0.5 %) and public construction (0.0 %) will remain almost stable. According to the association, the main factors holding back the market are high construction costs, bureaucratic and regulatory hurdles, and persistently high interest rates. The gloomy macroeconomic prospects and major uncertainties are also weighing on the construction industry.

The Verband der deutschen Lack- und Druckfarbenindustrie e.V. (Association of the German Paint and Printing Ink Industry) is forecasting a further decline in volumes for the decorative paints sector in the current year. However, the decline is expected to slow from 5 % in the previous year to 3 %. Sales volumes in the external wall insulation system market are also likely to decline again. The market research institute B+L Marktdaten GmbH expects losses of 3.4 %.

The Euroconstruct network expects a trend reversal in 2025 and anticipates a moderate revival in the **European construction sector**. The researchers estimate that construction activity in the 19 countries included will rise by 0.6 % in the current year. In view of high property prices, interest rates and construction costs, Euroconstruct sees the greatest challenges in new residential construction. This sector is expected to stabilise at a low level in 2025, while the market for home renovations is likely to continue to decline slightly. In contrast, growth is expected in non-residential construction, both in the Construction of new buildings and in renovation.

The prospects for the **US construction sector** are positive, which is supported, among other things, by the good economy with solid economic growth. The policy of lowering interest rates, which financial analysts estimate will continue, should also lead to a lasting revival in construction activity.

From today's perspective, the decline in the real estate sector in the **Chinese construction industry** will continue in 2025. China's export-driven economic growth, which the IMF believes will fall to 4.6 % this year, is being impacted primarily by weak global demand, low domestic consumption and the struggling property market. The geopolitical situation, the continuously declining birth rate and the ageing population also pose a danger to China's economic growth.

**Projected performance of the Sto Group**
The general conditions for the Sto Group will remain challenging in the 2025 financial year. In particular, our environment is likely to continue to be characterised by the persistently difficult economic situation and the great uncertainties regarding key influencing factors relevant to our business, which make concrete forecasts extremely difficult. Not only the consequences of international conflicts and trade disputes and the question of what the newly elected German government is planning in terms of regulations, infrastructure investments and state subsidy measures, but also the intensity with which climate policy targets are pursued and energy-related actions and residential construction are supported are almost impossible to predict. This results in risks, but also opportunities for Sto.

In order to position our Company as well as possible in view of the general conditions, we are adopting a flexible approach to the increasing competitive and price pressure that

is initially expected for the current financial year and intend to act actively and with foresight. We are continuing with the cost-cutting measures that we have initiated in order to ensure the Group's profitability.

The coalition negotiations of the expected new federal government, ongoing at the time of compiling the Management report, could have an impact on the growth prospects in Germany and harbour further opportunities, but also risks, for Sto. Among other things, part of the infrastructure special fund approved in March is to be spent on additional investments to achieve climate neutrality, but a specific use has not yet been defined. In the long term, however, the new debt could also jeopardise Germany's financial stability. Until the coalition negotiations are concluded and a new federal government is formed, it is not possible to make any statement about the effects.

At the end of March 2025, a future pact was agreed on together with the General Works Council of Sto SE & Co. KGaA and StoCretec GmbH, in which the future collective bargaining framework for the employees of these companies was jointly determined. The agreement includes extensive cost-saving measures in the area of personnel in order to significantly reduce costs and secure jobs. We are also continuing to pursue our overall restrictive spending policy in the Group's other areas, while at the same time preparing to tap into existing market potential as soon as conditions change.

This includes the introduction of the SAP S/4HANA ERP system, with which we are setting the course for our future. The implementation will initially lead to higher expenditure, but these investments are an indispensable basis for our future income-oriented growth. With this project, we are initiating the digital transformation and will significantly improve our processes. Our ongoing strategy up to 2030, which we are currently working on, is also based on this. The earnings and the resulting actions are expected to be finalised in April 2025.

We are forecasting consolidated turnover of EUR 1.57 billion for the 2025 financial year. Broken down by segment, Western Europe should see a decline in turnover in the mid-single-digit percentage range, while Northern/Eastern Europe is expected to see growth in the mid-single-digit percentage range and America/Asia/Pacific in the low double-digit percentage range.

We are forecasting a range of EUR 51 million to EUR 71 million for EBIT and between EUR 50 million and EUR 70 million for earnings before taxes (EBT). The resulting return on sales is hence likely to be between 3.1 % and 4.5 %. Return on capital employed (ROCE) is expected to reach a value of between 6.8 % and 9.6 %.

The forecast is based on average weather conditions and an economic development in line with expectations in Sto's key markets as well as a mainly stable euro exchange rate. Another key assumption is that geopolitical tensions such as the Russia-Ukraine conflict or the Middle East conflict will not cause any significant impairment of demand in the markets relevant to Sto and that there will be no restrictions in the conduct of business activities or the supply of raw materials, bought-in products and energy. Further significant amendments to general conditions, such as the introduction of tariffs by the US government, which could have a considerable impact on Sto's key trading partners and thus above all an indirect impact on the Sto Group, cannot be reliably calculated and have not been taken into account.

In 2025, we expect price levels on the **procurement markets** to remain stable in principle and for all key input materials to be consistently available. Significant price increases must be expected for product groups affected by punitive tariffs, such as epoxy resins. In the transport market, the supply situation is largely dependent on the development of the economy. As suppliers have increasingly reduced capacity in recent months, a rapid increase in demand could lead to bottlenecks. Thanks to the long-standing partnerships with our service providers and early negotiations, price increases can probably be avoided.

The planned volume of **investments** in Property, plant, and equipment and Intangible assets in the Sto Group is expected to amount to EUR 45 million in 2025. One of the largest projects is the continuation of the Retrofit programme to modernise and renew the Sto Group's production equipment. A packing plant for mineral products is to be put into operation at the Kriftel site, and a filling line for paste-form products is being modernised at Stühlingen. In Australia and Mexico, the new production plant for dry mortar and wet production, respectively, are to be put into operation.

The **number of employees** in the Sto Group in 2025 is likely to develop in line with the turnover. The size of the workforce is likely to grow moderately in countries with growth prospects. Meanwhile, targeted adjustments will be made in companies battling difficult general economic conditions if necessary.

We will continue our **R&D activities** with undiminished commitment in order to further develop our product portfolio in line with our customers' needs. The focus is on competitive, sustainable products and systems as well as serialised refurbishment.

A winning design was chosen as part of the architectural competition for the Innovation Campus. Work is currently underway to develop the site. Further investments are dependent on the development of our business.

**General statement on future development**
Overall, the Executive Board of STO Management SE is confident about the year 2025, although business development is once again characterised by major uncertainties that make a precise forecast much more difficult. From today's perspective, we anticipate turnover in the amount of EUR 1.57 billion and EBIT of between EUR 51 million and EUR 71 million in 2025.

20250904057333

As described in the Opportunities report, Sto continues to have an extremely favourable outlook in the medium to long term. From Sto's point of view, the legislator is primarily required to set a reliable and clear framework in order to create future-proof buildings and sufficient living space. Investments should be promoted in a targeted manner, technical requirements should not be increased further and bureaucratic hurdles should be significantly reduced. However, it must be borne in mind that positive effects in our industry have a long lead time and that changes usually lead to an increase in demand only after a time lag.

It is the people at Sto that make the difference – they work hard every day to ensure that we stay on track and can fulfil our performance promise to our customers despite difficult conditions and short-time working. In 2024, they once again showed exemplary commitment and made their contribution to the results of the financial year. We would like to expressly thank our employees for this.

Due to the generally volatile economic and political conditions, particularly for the construction sector, and the resulting opportunities and risks, which are described in detail in this Management report, STO Management SE, as the personally liable partner of Sto SE & Co. KGaA, has decided not to issue a medium-term forecast beyond the forecast period of one year until further notice.

20250904057734

# F. Sustainability statement

## Table of contents


| | | |
|---|---|---|
| **ESRS 2 General information** | | **58** |
| 1.1. | Basis for preparation | 58 |
| BP-1 | General basis for preparation of sustainability statements | 58 |
| BP-2 | Disclosures in relation to specific circumstances | 58 |
| 1.2. | Governance | 60 |
| GOV-1 | The role of the administrative, management and supervisory bodies | 60 |
| GOV-2 | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 64 |
| GOV-3 | Integration of sustainability-related performance in incentive schemes | 66 |
| GOV-4 | Statement on due diligence | 66 |
| GOV-5 | Risk management and internal controls over sustainability reporting | 67 |
| 1.3. | Strategy | 68 |
| SBM-1 | Strategy, business model and value chain | 68 |
| SBM-2 | Interests and views of stakeholders | 70 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 71 |
| 1.4. | Management of impacts, opportunities and risks | 79 |
| 1.4.1. | Information on the materiality assessment process | 79 |
| IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | 79 |
| IRO-2 | Disclosure requirements in ESRS covered by the undertaking's sustainability statement | 86 |
| **ESRS E1 Climate change** | | **94** |
| 2.1. | Governance | 94 |
| GOV-3 | Integration of sustainability-related performance in incentive schemes | 94 |
| 2.2. | Strategy | 94 |
| E1-1 | Transition plan for climate change mitigation | 94 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and and business model | 94 |
| 2.3. | Management of impacts, opportunities and risks | 96 |
| IRO-1 | Description of the processes to identify and assess material climate-related impacts, risks and opportunities | 96 |
| E1-2 | Policies related to climate change mitigation and adaptation | 96 |
| E1-3 | Actions and resources in relation to climate change policies | 97 |
| 2.4. | Key figures and targets | 99 |
| E1-4 | Targets related to climate change mitigation and adaptation | 99 |
| E1-5 | Energy consumption and mix | 100 |
| E1-6 | Gross Scopes 1, 2, 3 and Total GHG emissions | 102 |
| E1-7 | GHG removals and GHG mitigation projects financed through carbon credits | 104 |
| **EU Taxonomy reporting by the Sto Group** | | **105** |
| 2.5.1. | Sto's economic activities | 106 |
| 2.5.2. | Checking Taxonomy-alignment for economic activity 3.5. | 106 |
| 2.5.2.1. | Substantial contribution | 106 |
| 2.5.2.2. | Do No Significant Harm (DNSH) | 107 |
| 2.5.2.3. | Minimum Safeguards | 107 |
| 2.5.3. | Key figures | 108 |
| 2.5.3.1. | Key figure: Sales revenue | 108 |
| 2.5.3.2. | Key figure: Capital Expenditure (CapEx) | 112 |
| 2.5.3.3. | Key figure: Operating Expenditure (OpEX) | 116 |

| | | |
|---|---|---|
| **ESRS E5 Resource use and circular economy** | | **121** |
| 3.1. | Management of impacts, opportunities and risks | 121 |
| IRO-1 | Material impacts, risks and opportunities and their interaction with strategy and business model | 121 |
| E5-1 | Policies related to resource use and circular economy | 121 |
| E5-2 | Actions and resources related to resource use and circular economy | 122 |
| 3.2. | Key figures and targets | 123 |
| E5-3 | Targets related to resource use and circular economy | 123 |
| E5-4 | Resource inflows | 124 |
| **ESRS S1 Own workforce** | | **126** |
| 4.1. | Strategy | 126 |
| SBM-2 | Interests and views of stakeholders | 126 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 126 |
| 4.2. | Management of impacts, opportunities and risks | 129 |
| S1-1 | Policies related to own workforce | 129 |
| S1-2 | Processes for engaging with own workforce and workers' representatives about impacts | 132 |
| S1-3 | Processes to remediate negative impacts and channels for own workers to raise concerns | 134 |
| S1-4 | Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | 135 |
| 4.3. | Key figures and targets | 140 |
| S1-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 140 |
| Methodologies and assumptions | | 141 |
| S1-6 | Characteristics of the undertaking's employees | 141 |
| S1-8 | Collective bargaining coverage and social dialogue | 142 |
| S1-9 | Diversity metrics | 143 |
| S1-10 | Adequate wage | 143 |
| S1-14 | Health and safety metrics | 144 |
| S1-16 | Compensation metrics (pay gap and total compensation) | 144 |
| S1-17 | Incidents, complaints and severe human rights impacts | 145 |
| **ESRS S2 Workers in the value chain** | | **146** |
| 5.1. | Strategy | 146 |
| SBM-2 | Interests and views of stakeholders | 146 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 146 |
| 5.2. | Management of impacts, opportunities and risks | 147 |
| S2-1 | Policies related to value chain workers | 147 |
| S2-2 | Processes for engaging with value chain workers about impacts | 148 |
| S2-3 | Processes to remediate negative impacts and channels for value chain workers to raise concerns | 149 |
| S2-4 | Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions | 149 |
| 5.3. | Key figures and targets | 150 |
| S2-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 150 |
| **ESRS S3 Affected communities** | | **152** |
| 6.1. | Strategy | 152 |
| SBM-2 | Interests and views of stakeholders | 152 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 152 |
| 6.2. | Management of impacts, opportunities and risks | 153 |

20250904057735


| | | |
|---|---|---|
| S3-1 | Policies related to the rights of communities | 153 |
| S3-2 | Processes for engaging with affected communities about impacts | 153 |
| S3-3 | Processes to remediate negative impacts and channels for affected communities to raise concerns | 154 |
| S3-4 | Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions | 154 |
| 6.3. | Key figures and targets | 155 |
| S3-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 155 |
| **ESRS S4 Consumers and end-users** | | **157** |
| 7.1. | Strategy | 157 |
| SBM-2 | Interests and views of stakeholders | 157 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 157 |
| 7.2. | Management of impacts, opportunities and risks | 158 |
| S4-1 | Policies related to consumers and end-users | 158 |
| S4-2 | Processes for engaging with consumers and end-users about impacts | 159 |
| S4-3 | Processes to remediate negative impacts and channels for consumers and end-users to raise concerns | 160 |
| S4-4 | Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions | 161 |
| 7.3. | Key figures and targets | 162 |
| S4-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 162 |
| **ESRS G1 Business conduct** | | **163** |
| 8.1. | Governance | 163 |
| GOV-1 | The role of the administrative, management and supervisory bodies | 163 |
| 8.2. | Management of impacts, opportunities and risks | 163 |
| IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | 163 |
| G1-1 | Business conduct policies and corporate culture | 164 |
| G1-2 | Management of relationships with suppliers | 167 |
| G1-3 | Prevention and detection of corruption and bribery | 168 |
| 8.3. | Key figures and targets | 169 |
| G1-4 | Incidents of corruption or bribery | 169 |

# ESRS 2 General information

## 1.1. Basis for preparation

### BP-1 General basis for preparation of the sustainability statement

For the first time, Sto SE & Co. KGaA is preparing a Group Sustainability Statement (Sto Group) in accordance with the Corporate Sustainability Reporting Directive (EU) 2022/2464 for the 2024 financial year (1 January 2024 to 31 December 2024). This sustainability statement for Sto has been prepared on a consolidated basis in full compliance with the European Sustainability Reporting Standards (ESRS).

Sto has prepared this sustainability statement in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) on a consolidated basis, whereby the companies consolidated in the sustainability statement correspond to those in Sto's consolidated annual financial statement. In addition, the sustainability statement considers all necessary areas of the upstream and downstream value chain, where required by the CSRD.

As part of the sustainability statement, Sto has not made use of the option to omit certain information relating to intellectual property, expertise, or the results of innovations. Furthermore, Sto has made use of the option to omit detrimental information (Section 289e of the German Commercial Code (HGB)) for the 2024 financial year.

The Supervisory Board of Sto SE & Co. KGaA has carefully reviewed this sustainability statement. In addition, the Supervisory Board of Sto SE & Co. KGaA commissioned PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to audit the sustainability statement. In this context, the sustainability statement within the management report was subjected to a content-related audit with limited assurance by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft also audits the consolidated annual financial statement of the Sto Group and the annual financial statement, including the management reports, with reasonable assurance (reasonable assurance).

### BP-2 Disclosures in relation to specific circumstances

The sustainability statement for Sto is prepared on a consolidated basis in full compliance with the European Sustainability Reporting Standards (ESRS). In accordance with IFRS 10, all fully consolidated subsidiaries are incorporated into the sustainability statement. At the time of reporting, there are no joint ventures and one company accounted for using the equity method.

The sustainability statement also fulfils the requirements of the non-financial reporting rules in accordance with Sections 315b to 315c HGB in connection with Sections 289c ff. (consolidated non-financial statement). The ESRS are being used for the first time in full as a framework in accordance with Section 315c (3) HGB in conjunction with Section 289d HGB because of the significant role of the ESRS as sustainability reporting standards adopted by the European Commission. According to Section 289c HGB, the non-financial statement must cover at least the following aspects:

- Environmental matters, whereby the information may relate, for instance, to greenhouse gas emissions, water consumption, air pollution, the use of renewable and/or non-renewable energy, or the protection of biological diversity: information on these aspects can be found in Chapters 2 (ESRS E1) and 3 (ESRS E5).
- Employee-related matters, whereby the information may relate, for instance, to the actions taken to ensure gender equality, the working conditions, implementation of fundamental conventions of the International Labour Organisation, respect for the right of workers to be informed and consulted, social dialogue, respect for trade union rights, health and safety at work: information on these aspects can be found in Chapters 4 (ESRS S1) and 5 (ESRS S2).
- Social matters, whereby the information may relate, for instance, to the dialogue at the local or regional level or the actions taken to ensure the protection and the development of local communities: information on these aspects can be found in Chapters 6 (ESRS S3) and 7 (ESRS S4).
- Respect for human rights, whereby the information may relate, for instance, to the prevention of human rights abuses: information on these aspects can be found in Chapters 4 to 7 (ESRS S1, S2, S3, and S4).
- Combating of corruption and bribery, whereby the information may relate, for instance, to the instruments in place to fight corruption and bribery: information on these aspects can be found in Chapter 8 (ESRS G1).

Furthermore, the business model must be described in accordance with Section 289c of the German Commercial Code (HGB). This is described in detail in the Chapter SBM-1 Strategy, business model and value chain. In accordance with Section 289c HGB, the materiality assessment must also be presented; this can be found in

20250904057736

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

The material risks presented in this sustainability statement are not risks that need to be reported in accordance with Section 289c (3) and (4) HGB. Therefore, they are not presented separately in accordance with German Accounting Standard (DRS) 20.281.

As part of the environmental information in this sustainability statement, the information provided for Sto in accordance with Article 8 of Regulation 2020/852 (EU Taxonomy Regulation) is included in Chapter 2.5, 'EU taxonomy reporting of the Sto Group'.

The ESRS and the EU Taxonomy Regulation, alongside the delegated acts issued in this regard and the relevant supplementary interpretation documents of the EU Commission, contain formulations and terms that are subject to considerable interpretation uncertainties. This results in the risk of undefined legal terms being interpreted in different ways.

According to DRS 20.265, the policies pursued in relation to reporting rules or issues must be presented. This must include a description of the targets, actions, and due diligence processes applied, and the involvement of Group management and any other stakeholders (such as employees). The results of the policies pursued are presented in this sustainability statement. This addresses both the extent to which targets have been achieved as well as the progress made in implementing actions.

Sto is preparing a sustainability statement in accordance with the CSRD for the first time. Against this background, there have been no changes to the preparation and presentation of sustainability-related information.

Sto has not deviated from the definition of short-, medium-, or long-term time horizons in accordance with the CSRD.

Therefore, the following time horizons apply to forward-looking statements as at the end of the reporting period in accordance with ESRS 1:

- Short-term: up to one year
- Medium-term: more than one year and up to five years
- Long-term: more than five years

The quantitative metrics and monetary amounts stated do not exhibit any significant measurement uncertainties overall. Non-significant measurement uncertainties can result from the availability and quality of data from the upstream and/or downstream value chain. The key figures below include sources of estimates and results uncertainties that arise for various reasons.

For a description of the results uncertainties arising from this, please refer to the corresponding chapters in the sustainability statement.

| ESRS Disclosure Requirement | Key figure | Value chain estimation | Chapter reference |
|---|---|---|---|
| E1-5 | Energy consumption and mix | Determined shares of fossil, nuclear, and renewable energy, Self-generated energy | Chapter E1-5 |
| E1-6 | GHG emissions | Scope 3 categories: 1 Purchased goods and services, 3 Fuel and energy-related activities (not included in Scope 1 or Scope 2), 4 Upstream transportation and distribution, 5 Waste generated in operations, 6 Business travels, 7 Employee commuting, 9 Downstream transportation, 10 Processing of sold products, 12 End-of-life treatment of sold products | Chapter E1-6 |
| E5-4 | Resource inflows | Parts of the total inflow weight, proportion of recycled materials | Chapter E5-4 |

The sustainability statement contains the following references to other chapters of the Group management report.

| ESRS Disclosure Requirement | Information | Chapter reference |
|---|---|---|
| ESRS 2 SBM-1, paragraph 40 a | Key elements of the general strategy that relate to or affect sustainability matters:<br>i. significant groups of products and/or services offered, including changes in the reporting period (new/removed products and/or services),<br>ii. significant markets and/or customer groups served, including changes in the reporting period (new/removed markets and/or customer groups), | Chapter ESRS 2SBM-1 |

| ESRS Disclosure Requirement | Information | Chapter reference |
|---|---|---|
| ESRS 2 SBM-1, paragraph 42 a | Description of the business model and value chain: inputs and approach to gathering, developing, and securing those inputs | Chapter ESRS 2 SBM-1 |
| ESRS 2 SBM-1, paragraph 42 b | Description of the business model and value chain: outputs and outcomes in terms of current and expected benefits for customers, investors, and other stakeholders | Chapter ESRS 2 SBM-1 |
| ESRS 2 GOV-5, paragraph 36 a | Main features of the risk management and internal control system: disclosure of the scope, main features, and components of the risk management and internal control processes and systems in relation to sustainability reporting | Chapter ESRS 2 GOV-5 |
| ESRS 2 GOV-5, paragraph 36 b | Main features of the risk management and internal control system: the risk assessment approach followed, including the risk prioritisation methodology | Chapter ESRS 2 GOV-5 |

## 1.2. Governance

### GOV-1 The role of the administrative, management and supervisory bodies

**General information on corporate governance**
The Deutscher Corporate Governance Kodex (DCGK) is tailored to companies in the legal form of an 'Aktiengesellschaft' (public limited company) or a European Company (SE) and does not take into account the special features of the legal form of a KGaA. Many of the recommendations of the GCGC can therefore only be applied to Sto SE & Co. KGaA in a modified form. Material modifications result in particular from the following special features specific to the legal form: Sto SE & Co. KGaA is a 'Kommanditgesellschaft auf Aktien' (roughly equivalent to a partnership limited by shares). The tasks normally performed by the Executive Board of an 'Aktiengesellschaft' (public limited company) are instead performed by the personally liable partner because of statutory provisions contained within the German Stock Corporation Act (AktG). The sole personally liable partner of the company is STO Management SE, which acts through its management body and thus through its Executive Board. The Executive Board is responsible for managing the company's business. The personally liable partner receives the liability remuneration conforming to the Articles of Association and expense allowance conforming to the Articles of Association. In comparison to the Supervisory Board of an 'Aktiengesellschaft' (public limited company), the rights and obligations of a KGaA are restricted. The Supervisory Board of the company does not have the authority to appoint personally liable partners or their corporate bodies. Nor is it authorised to specify their contractual conditions, to adopt internal rules of procedure relating to management, or to define business transactions requiring approval. Instead, these tasks are performed by the Supervisory Board of STO Management SE in its capacity as the overseer of the Executive Board.

**Management body**
The management body of Sto SE & Co. KGaA under stock corporation law is its personally liable partner STO Management SE, which in turn acts through its management body, the Executive Board.

Due to its legal form, Sto SE & Co. KGaA does not have an Executive Board. Its business is managed by the personally liable partner STO Management SE.

The names of the persons in the management body of the personally liable partner are:

**Rainer Hüttenberger**
Chief Executive Officer of STO Management SE
Rainer Hüttenberger is responsible for Sales Sto Brand International, Business Field Organisation, Corporate Strategic Development, M&A, and the Industry business unit.
Due to his responsibility for the aforementioned areas, Rainer Hüttenberger, has knowledge of material sustainability matters relating to ESRS E1, ESRS E5, ESRS S1, and ESRS S4 in particular.

**Michael Keller**
Deputy Chief Executive Officer of STO Management SE
Michael Keller is responsible for Sales Sto Brand Germany, Distribution, Marketing Communications, Sustainability, and Central Services.
Due to his responsibility for the aforementioned areas, Michael Keller, has knowledge of material sustainability matters relating to ESRS E1, ESRS E5, ESRS S1, and ESRS S4 in particular.

**Désirée Konrad**
Executive Board member of STO Management SE
As Chief Financial Officer, Désirée Konrad is responsible for Finance, Controlling, Information Technology, Internal Audit, Investor Relations, Legal, and Technical Service.
Due to her responsibility for the aforementioned areas, Désirée Konrad has knowledge of material sustainability matters relating to ESRS S1, ESRS S2, ESRS S3, ESRS S4, and ESRS G1.

**Jan Nissen**
Executive Board member of STO Management SE
Jan Nissen was Chief Technology Officer until 31 December 2024 and was responsible for Process Engineering, Innovation, Materials Management, and Logistics.
Due to his responsibility for the aforementioned areas,

20250904057737

Jan Nissen also has knowledge of material sustainability matters relating to ESRS E1, ESRS E5, and ESRS S2.

**Jost Joseph Bendel**
Deputy Executive Board member since 1 September 2024 and since 1 January 2025 Executive Board member of STO Management SE
Jost Bendel was a deputy member of the Executive Board of STO Management SE since 1 September 2024, succeeding Chief Technology Officer Jan Nissen, and has been Chief Technology Officer of STO Management SE since 1 January 2025.

**Diversity within the management body of STO Management SE**
As the management body of Sto SE & Co. KGaA, STO Management SE has no diversity as a legal entity. For information purposes, STO Management SE reports that its management body is composed as follows in terms of diversity: from 1 January 2024 to 31 August 2024 inclusive, 75.0 % of the members of the management body of STO Management SE were male and 25.0 % were female. From 1 September 2024 until the end of the 2024 calendar year, the management body of STO Management SE consisted of 80.0 % male members and 20.0 % female members.

The average ratio of female to male members over 2024 as a whole was 30.6 %. All members of the Executive Board, with the exception of the deputy member in the 2024 financial year, are managing directors. Therefore, there were four managing directors in the 2024 financial year. STO Management SE is non-listed and Section 76 (3a) of the German Stock Corporation Act does not apply to it. It has no diversity concept or guidelines for men and women in the body authorised to represent the company and is outside the reporting sphere of Sto SE & Co. KGaA.

**Role and skills of the management body**
As the management body of Sto SE & Co. KGaA, STO Management SE acts, as shown, through its management body: the Executive Board. The members of the Executive Board have extensive experience gained through holding management positions in companies. They also contribute experience they have obtained from various training programmes and/or professions.

Rainer Hüttenberger possesses extensive expertise in Sales Sto Brand International, and in Business Field Organisation, Corporate Strategic Development, M&A, and the Industry business unit. Michael Keller brings expertise to the company in the areas of Sales Sto Brand Germany, Distribution, Marketing Communications, Sustainability, and Central Services. Désirée Konrad has in-depth expertise and experience in Finance, Controlling, Information Technology, Internal Audit, Investor Relations, Legal, and Technical Service. In the 2024 financial year, Process Engineering, Innovation, Materials Management, and Logistics were managed by Jan Nissen, who has extensive expertise and experience in these areas.

In addition, some members of the Executive Board of STO Management SE possess technical expertise that includes knowledge and experience of manufacturing and distributing Sto's products. Furthermore, the members of the Executive Board of STO Management SE have gained international experience through their current and previous professional activities.

The Executive Board of STO Management SE also has experience in the areas of research and development, procurement, production, finance, human resources, legal, and compliance.

Through regular discussions with the Head of Sustainability, dialogue with experts within the Sto Group and external consultants and stakeholders, as well as reading specialist literature, the Executive Board of STO Management SE continuously expands its knowledge, skills, and experience for the further development of the Sto Group on the topic of sustainability. The area of sustainability, which was established at Group level in 2012, reports directly to the Executive Board of STO Management SE. In addition, a 'Sustainability Board for Sto Products' was established in 2021, covering all European markets and business fields, and providing input and feedback on product-related topics and trends on a quarterly basis. This exchange forms the basis for strategic and product-related actions in the corresponding areas, especially in areas including sustainability and product management.

The Executive Board of STO Management SE has sufficient skills and expertise to monitor sustainability matters. This is necessary as all members of the management body are responsible for monitoring impacts, risks, and opportunities.

The operational implementation of the individual actions and projects is coordinated by the 'Sustainability' organisational unit. This unit is responsible for the subject area as a whole. and takes direct action in the respective functional areas.

Overall responsibility for the sustainability strategy and its implementation and monitoring lies with the Executive Board of STO Management SE, which ensures that it sustainability is integrated into the existing management structure.

The implementation of the sustainability strategy is supported by the close monitoring and tracking of key actions and projects by the strategic project

management office. Larger projects have also been combined in a strategic programme in order to exploit synergies in implementation and at the same time underline overall strategic relevance. The responsibilities of individuals and areas with regard to impacts, risks, and opportunities in the company's mandates, in the management body, and in other related policies were defined as part of the materiality assessment and are based on the organisational structure.

The monitoring of impacts, risks, and opportunities has been transferred to the Sustainability department in combination with Group Accounting, Risk Management, and Corporate Strategic Development. The Executive Board of STO Management SE exercises oversight by receiving information on an ad-hoc basis and at least once a year. There are direct and regular disclosure rules for the members of the administrative, management, and supervisory bodies. Controls and methods are in place via internal risk management and the company and sustainability strategy to ensure that impacts, opportunities, and risks are managed. These are integrated into the Corporate Strategic Development, Controlling, and Sustainability internal functions.

Targets for topics addressed by the Sto SE & Co. KGaA diversity report are monitored and defined in regular meetings and meetings of the Management Board. Review meetings on the subject of energy management are held at STO Management SE. The personally liable partner monitors the definition of targets and how they are achieved with regard to material impacts, risks, and opportunities.

**Supervisory body**
The statutory supervisory body of Sto SE & Co. KGaA is the Supervisory Board of Sto SE & Co. KGaA. It consists of twelve members and, in accordance with the German Co-Determination Act, is equally composed of shareholder and employee representatives.

- **Peter Zürn** Bretzfeld-Weißlensburg/Germany, Kaufmann (merchant), Member of the Supervisory Board since 27 June 2007, Chairperson of the Supervisory Board since 22 June 2022, Chairperson of the Nomination Committee since 22 June 2022

- **Niels Markmann***, Gelsenkirchen/Germany, Chairperson of the General Works Council and Chairperson of the Works Council for the North-West Sales Region, Sto SE & Co. KGaA, Member of the Supervisory Board since 24 April 2020, Deputy Chairperson of the Supervisory Board since 22 June 2022, Member of the Finance Committee

- **Maria H. Andersson**, Munich/Germany, Family Officer, Partner, Managing Director, Member of the Supervisory Board since 14 June 2017, Chairperson of the Finance Committee since 14 June 2017

- **Thade Bredtmann***, Pfalzgrafenweiler/Germany, Vice President Human Resources Sto Group, Member of the Supervisory Board since 22 June 2022, Member of the Audit Committee

- **Klaus Dallwitz***, Maintal/Germany, Order Acceptance and Route Scheduling Administrator, Sto SE & Co. KGaA, Member of the Supervisory Board since 22 June 2022

- **Catharina van Delden**, Munich/Germany, Entrepreneur, Member of the Supervisory Board since 22 June 2022

- **Petra Hartwig***, Bad Zwesten/Germany, Trade Union Secretary at IG BCE, District Manager for the district of Kassel, Member of the Supervisory Board since 22 June 2022

- **Frank Heßler***, Mannheim/Germany, Political Trade Union Secretary, Deputy Regional Manager of IG BCE for the regional district of Baden-Württemberg, Member of the Supervisory Board since 14 June 2017

- **Barbara Meister***, Blumberg/Germany, Chairperson of the Stühlingen Works Council, Sto SE & Co. KGaA, Member of the Supervisory Board since 1 June 2010, Member of the Finance Committee, Member of the Audit Committee

- **Dr Renate Neumann-Schäfer**, Überlingen/Germany, Corporate consultant, Economist, Member of the Supervisory Board from 14 June 2017 to 19 June 2024, Chairperson of the Audit Committee from 14 June 2017 to 19 June 2024

- **Prof Dr Klaus Peter Sedlbauer**, Rottach-Egern/Germany, Chair of Building Physics at the Technical University of Munich, Member of the Supervisory Board since: 27 June 2007, Member of the Nomination Committee

- **Dr Kirsten Stotmeister**, Lauchringen/Germany, Family Office Head of Finance/Treasury, Member of the Supervisory Board since 22 June 2022, Member of the Audit Committee, Member of the Finance Committee, Member of the Nomination Committee

- **Rolf Wöhrle**, Bad Dürrheim, Board Member, Member of the Supervisory Board since 19 June 2024, Chairperson of the Audit Committee since 19 June 2024

* Employee representatives

20250904057738

**Diversity within the supervisory body**
In accordance with Section 96 Paragraph 2 Sentence 1 of the German Stock Corporation Act, it must be ensured that at least 30.0 % of the Supervisory Board consists of women or men respectively when new members are being appointed to the Supervisory Board of co-determined listed companies. The minimum percentage must be fulfilled by the Supervisory Board as a whole, unless the shareholder and employee representatives object to the overall fulfilment in accordance with Section 96 (2) sentence 3 of the German Stock Corporation Act (AktG). A corresponding objection was agreed upon and declared by both the shareholder and the employee representatives on the Supervisory Board of Sto SE & Co. KGaA. Accordingly, the Supervisory Board must include at least two women and two men on the shareholder and employee representative sides. This obligation has been fulfilled in full: until 19 June 2024, four of the six shareholder representatives were women; since 19 June 2024, three of the six shareholder representatives and continuously two of the six workers' representatives on the Supervisory Board of Sto SE & Co. KGaA have been women.

Since 19 June 2024, 41.67 % of the members of the supervisory body have therefore been female and 58.33 % have been male.

The average ratio of female to male members over 2024 as a whole was 85.7 %. The Supervisory Board consists of 50.0 % shareholder representatives and 50.0 % workers' representatives. The shareholder representatives are independent.

**Role and skills of the supervisory body**
The skills profile of the Supervisory Board is presented in a matrix.

The abilities and expertise of the members of the Supervisory Board can be categorised into various areas of skill:

- Managing corporate groups, companies, associations, and networks: skill has particular relevance to sustainability matters arising from ESRS G1.
- Construction sector (construction and building supplies), associated value chains and markets: skill has particular relevance to sustainability matters arising from ESRS E1 and ESRS E5.
- Finance and accounting, legal affairs and risk management (compliance and governance), sustainability and CSRD, accounting and auditing of financial statements: skill has relevance to all of Sto's material sustainability matters.

**Skills profile matrix for the Supervisory Board of Sto SE & Co. KGaA (Dr Neumann-Schäfer until and Mr Wöhrle from 19 June 2024)**

| Experiences & knowledge | Maria H. Andersson | Thade Bredtmann | Klaus Dallwitz | Catharina van Delden | Petra Hartwig | Frank Heßler | Niels Markmann | Barbara Meister | Dr Renate Neumann-Schäfer | Prof. Dr Klaus Peter Sedlbauer | Dr Kirsten Stotmeister | Rolf Wöhrle | Peter Zürn |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Managing corporate groups, companies, associations, and networks | x | x | | x | x | x | | | x | x | | x | x |
| Construction sector (construction & construction supply sector), connected value chains & markets | x | x | x | | | x | x | x | x | x | x | x | x |
| Finance, accounting, legal affairs, and risk management (compliance and governance), sustainability & CSRD, accounting and auditing of financial statements (financial expert) | x | | | | | | | | x | | x | x | |
| Sustainability, internationalisation, innovation, research, development & technology | | x | | x | | | | | | x | | | |
| Digitisation, IT, business models, production technology | x | | | x | | | | x | x | x | | x | x |
| Sales & marketing, human resources, HR development, social affairs, communications, media | x | x | x | x | x | x | x | x | x | | | x | x |
| Economic sectors other than the construction sector | x | x | | x | x | x | | | x | x | x | x | x |

- Sustainability, internationalisation, innovation, R&D, technology: skill has relevance to all of Sto's material sustainability matters.
- Digitisation, IT, business models, production technology: skill has particular relevance to sustainability matters arising from ESRS E1, ESRS E5, and ESRS G1.
- Sales and marketing, human resources, HR development, social affairs, communications, media: skill has particular relevance to sustainability matters from ESRS S1, ESRS S2, ESRS S3, and ESRS S4.

All Supervisory Board members are responsible for monitoring impacts, risks, and opportunities. Where sustainability-related expertise is concerned, Supervisory Board members expand their knowledge through reading specialist literature and engaging in discussions with experts and consultants as well as through their networks, particularly in the area of foundations and trade associations.

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

The Sto business model is oriented towards long-term success. This relies on sustainable, solid business management, constant progress, and a financially strong basis. The corporate vision is 'Technology leader in the sustainable design of living space tailored to human needs. Worldwide.' Sto has been pursuing its vision by implementing its mission of 'Building with conscience.'since 1988.

Sto's corporate vision and other principles on which our practice is based are defined in our Guiding Principles, which provide guidance for all strategic and operational decisions. The principles defined in these and the objectives of Strategy 2025 are described in detail in the Chapter SBM-1, 'Strategy, business model and value chain'. The corporate strategy and the targets it contains will be revised in 2025 and realigned for 2030.

Adopting a sustainable approach to business activities is one of the keys to achieving long-term success. This applies especially in an increasingly complex world, in which ecological and social concerns as well as the classic economic challenges are becoming ever more relevant. Impacts, risks, and opportunities are becoming more diverse as a result. Appropriate instruments that encompass a coherent sustainability strategy are required for managing these challenges consistently and successfully. The sustainability strategy is monitored by the Supervisory Board of Sto SE & Co. KGaA.

In this way, Sto combines the aim of creating a sound basis for capital-efficient, profitable growth with making a social contribution. Overall responsibility for the sustainability strategy and its implementation and monitoring lies with the Executive Board of STO Management SE.

The Executive Board of STO Management SE is informed of the material impacts, risks, and opportunities at least once a year by the Sustainability and Group Accounting departments. The Sustainability and Group Accounting departments regularly inform the Executive Board of STO Management SE (at least twice a year and on an ad-hoc basis) about the implementation of due diligence in the area of sustainability. The Executive Board of STO Management SE discusses the results and effectiveness of the adopted strategies, actions, metrics, and targets with the Management Body of Sto SE & Co. KGaA at least once a year.

The Executive Board of the personally liable partner STO Management SE provides a report on other mandatory publications such as the Corporate Governance Report. The non-financial statements, in particular those statements and data on Sustainability and Corporate Social Responsibility, are also examined and reviewed by the Supervisory Board of Sto SE & Co. KGaA.

The Executive Board of STO Management SE holds discussions with the Sustainability department at least twice a year. In addition, the Executive Board of STO Management SE is kept informed on many topics by the relevant Heads of the Compliance, Personnel, Purchasing, and Research & Development divisions. In addition, a Managing Directors' Conference is held once a year.

In at least four meetings per financial year, the Supervisory Board of Sto SE & Co. KGaA engages in discussions concerning business development, planning, and strategy – including the sustainability strategy and its implementation. Annually and as necessary, the Supervisory Board receives reports from the Executive Board of the personally liable partner concerning the Sto sustainability strategy and the status of its implementation. The Executive Board of STO Management SE, with the involvement of the Sustainability department, informs the Supervisory Board at least once a year about the implementation of due diligence in the area of sustainability. In addition, the results and effectiveness of the adopted strategies, actions, metrics, and targets are reported to the Supervisory Board at least once a year by the same persons responsible. The Supervisory Board also deals with the opportunities and risks associated with social and environmental factors on behalf of Sto, as well as the ecological and social impact of the business activities. The Supervisory Board is informed of the material impacts, risks, and opportunities at least once a year by the same persons responsible.

20250904057 39

Furthermore, the Supervisory Board and the Audit Committee ´together deal with the sustainability reporting.

The impacts, risks, and opportunities have been compared with the risk management system. The extent to which risk management takes into account the impacts, risks, and opportunities at the time of reporting is described in detail in the Chapter GOV-5 'Risk management and internal controls over sustainability reporting'. The management and supervisory bodies factor the impacts, risks, and opportunities into the risk management process through the information they receive as and when necessary, based on regular dialogue between the Sustainability and Group Accounting departments and the risk management team.

All business-related risks are recorded and evaluated in the central risk management system. In the system, risks are regularly queried or recorded via an IT tool at least once a year or on an ad-hoc basis. Increasingly, the system also takes into account climate change risks in the form of increased severe weather, flooding, potential local water scarcity, and the like. In addition, the risk management system has been expanded to better identify negative impacts on human rights in the supply chain. The reporting system already records risks resulting from weather fluctuations.

When the Executive Board of STO Management SE and the Supervisory Board of Sto make decisions on important transactions, the impacts, risks, and opportunities are taken into account through regular reporting by functional areas to the Executive Board of STO Management SE and the Supervisory Board of Sto. The Executive Board of STO Management SE and the Supervisory Board of Sto have taken into account compromises relating to these impacts, opportunities, and risks.

| **List of material impacts, risks, and opportunities dealt with by the Executive Board, Supervisory Board, and responsible departments or their responsible committees in the year under review** | **Executive Board of STO Management SE, Supervisory Board, and responsible departments** | **Frequency** |
|---|---|---|
| Financial risks due to physical climate risks with regard to own permanent establishments | Sustainability, Risk Management | half-yearly |
| Sto still has Scope 1 and Scope 2 emissions that contribute to climate change | Sustainability, Energy Management | yearly |
| There are emission-intensive value-added steps in Sto's supply chain (e.g. chemicals, cement, brick) | Procurement, Research & Development, Sustainability | half-yearly |
| Sto places a high value on energy efficiency and the use of renewable energies | Sustainability, Energy Management, Climate and Energy Efficiency Network | half-yearly |
| Resource consumption in own production (primarily mineral raw materials, marble, quartz sand, cement, and chemical products) | Procurement, Research & Development, Sustainability | half-yearly |
| Financial risks due to rising resource prices (e.g. primarily sand, cement, possibly also chemical products) | Procurement, Research & Development | half-yearly |
| Financial risk due to limited availability of certain input factors (e.g. titanium dioxide, preservatives) | Procurement, Research & Development | half-yearly |
| A strong sense of belonging among and job security for employees | Personnel, Works Council, Management Body | quarterly |
| Selective overload of employees due to peak workloads | Personnel, Works Council, Management Body | quarterly |
| High degree of flexibility for employees in terms of organising their working time and work-life balance | Personnel, Works Council, Management Body | yearly |
| Employees have the assurance that there are principles of conduct and reporting points for incidents of discrimination or other incidents | Compliance / Internal Audit, Personnel, Sustainability | yearly |

| List of material impacts, risks, and opportunities dealt with by the Executive Board, Supervisory Board, and responsible departments or their responsible committees in the year under review | Executive Board of STO Management SE, Supervisory Board, and responsible departments | Frequency |
|---|---|---|
| Capacity bottlenecks and a lack of successors in the company due to a shortage of skilled workers and an ageing workforce | Personnel, Works Council, Management Body | quarterly |
| Employees have the assurance that no human rights abuses (child labour and forced labour) are taking place within the company's own business activities | Compliance / Internal Audit, Personnel, Sustainability | yearly |
| Employees have the assurance that their privacy, self-determination, and personal freedom are respected in the workplace | Compliance / Internal Audit, Personnel, Sustainability | yearly |
| Employees in the value chain have the assurance that Sto is ensuring occupational safety | Compliance / Internal Audit, Procurement, Sustainability | yearly |
| In certain countries where suppliers are located, there are potential cases involving restriction of freedom of expression, freedom of assembly, or human rights defenders. No material risks were identified as part of the risk analysis conducted in accordance with the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) | Compliance / Internal Audit, Procurement, Sustainability | yearly |
| Sto operates a data protection management system (in Germany only) | Compliance / Internal Audit | yearly |
| Employees have the assurance that the corporate culture is geared towards ethics and compliance | Compliance / Internal Audit, Personnel, Sustainability | yearly |
| Various stakeholders such as employees and actors in the value chain have the assurance that the risk of incidents is minimised as far as possible | Compliance / Internal Audit, Personnel, Sustainability | yearly |

## GOV-3 Integration of sustainability-related performance in incentive schemes

Due to its legal form, Sto SE & Co. KGaA does not have an Executive Board. Its business is conducted by the personally liable partner STO Management SE, which receives an expense allowance from Sto SE & Co. KGaA in accordance with the legal requirements of the German Stock Corporation Act. Part of the expense allowance that STO Management SE receives for managing the business of Sto SE & Co. KGaA includes the remuneration of the members of the Executive Board of STO Management SE, whose remuneration consists of a fixed and a variable component, but no component aimed at achieving specific sustainability goals, including GHG emission reduction goals.

Sustainability is one of Sto's core areas of expertise, and one of the key points of its product portfolio is climate protection. For this reason, the Sto Group's corporate success is already significantly linked to achieving sustainability goals.

## GOV-4 Statement on due diligence

| Key elements of due diligence | Paragraphs in the sustainability statement | Chapter references |
|---|---|---|
| a) Embedding due diligence in governance, strategy and business model | ESRS 2 GOV-2, GOV-3 & SBM-3 | ESRS 2 GOV-2<br>ESRS 2 GOV-3<br>ESRS 2 SBM-3<br>ESRS E1 GOV-3<br>ESRS E1 SBM-3<br>ESRS S1 SBM-3<br>ESRS S2 SBM-3<br>ESRS S3 SBM-3<br>ESRS S4 SBM-3 |
| b) Engaging with affected stakeholders in all key steps of the due diligence | ESRS 2 GOV-2, SBM-2, IRO-1 & topic-related standards: consideration of the different stages and purposes of stakeholder engagement throughout the due diligence process | ESRS 2 GOV-2<br>ESRS 2 SBM-2<br>ESRS 2 IRO-1<br>ESRS E1 IRO-1<br>ESRS E5 IRO-1<br>ESRS S1 SBM-2<br>ESRS S2 SBM-2<br>ESRS S3 SBM-2<br>ESRS S4 SBM-2<br>ESRS G1 IRO-1 |
| c) Identifying and assessing adverse impacts | ESRS 2, IRO-1 & SBM-3 | ESRS 2 SBM-3<br>ESRS 2 IRO-1<br>ESRS E1 SBM-3<br>ESRS E1 IRO-1<br>ESRS E5 IRO-1<br>ESRS S1 SBM-3<br>ESRS S2 SBM-3<br>ESRS S3 SBM-3<br>ESRS S4 SBM-3<br>ESRS G1 IRO-1 |

20250904405740

| Key elements of due diligence | Paragraphs in the sustainability statement | Chapter references |
|---|---|---|
| d) Taking actions to address those adverse impacts | Actions, including transition plans | E1-1<br>E1-3<br>E5-2<br>S1-4<br>S2-4<br>S3-4<br>S4-4<br>G1-1<br>G1-2<br>G1-3 |
| e) Tracking the effectiveness of these efforts and communicating | Key figures and targets | 2.4.<br>3.2.<br>4.3.<br>5.3.<br>6.3.<br>7.3.<br>G1-1<br>G1-2<br>G1-3<br>8.3. |

## GOV-5 Risk management and internal controls over sustainability reporting

The disclosures on risk management and the internal controls for sustainability reporting are included in the correspondingly labelled disclosures in the risks and opportunities report section of the Group management report (Chapters 'Risks and opportunities' up to and including 'Risk management system'). At the same time, they are an integral part of this sustainability statement.

The values for the extent of loss or damage in the risk management system have changed in 2025.

As part of the materiality assessment, the threshold values for the extent of loss or damage from the previous year were used to assess the potential financial effects.

The non-material risks and opportunities were then reviewed again and are still assessed as not material.

**Explanation of extent of loss or damage**

| Extent of loss or damage | | Definition of the extent of loss or damage |
|---|---|---|
| Serious | >EUR 63 million | Significant negative impact on earnings |
| Material | EUR 30 million to EUR 63 million | Noticeably negative impact on earnings |
| Moderate | EUR 16 million to EUR 30 million | Negative impact on earnings |
| Low | <EUR 16 million | Slightly to moderately negative impact on earnings |

Risks and opportunities that are close to the materiality threshold are monitored on an ongoing basis.

The Executive Board of the personally liable partner STO Management SE has initiated and implemented an integrated approach to governance, compliance, and risks that aims to ensure adequate and effective internal control and risk management. The measures implemented within the context of this approach are described in the risks and opportunities report, for example. The measures also include processes and systems for entering and processing sustainability-related data.

The effectiveness of the risk management system (RMS) and internal control system (ICS) is regularly reviewed in accordance with statutory requirements. Independent monitoring and audits take place in this respect, especially through audits by the Internal Audit division and its reporting to the Executive Board of the personally liable partner STO Management SE as well as to the Audit Committee of the Supervisory Board, and through other external audits. Central Investment Controlling, Accounting, and Internal Audit carry out internal audits. In the course of regular audits, the Internal Audit department checks the ICS and RMS, and examines and assesses the functioning and effectiveness of the risk management approach to help provide a better understanding of the risks. In addition, as part of the audit, the chartered accountant reviews, in accordance with statutory requirements, whether the system for the early detection of risks is suitable in all materialities for the early detection of facts that could jeopardise the continued existence of the company. Audits completely independent of the processes concerned are also carried out by the Audit Committee of the Supervisory Board.

Sto has also incorporated the results of its risk assessment and internal controls relating to the sustainability reporting process into the relevant internal functions and processes by integrating them into the risk manual and the annual risk inventory. The Executive Board of STO Management SE and the Supervisory Board of Sto SE & Co. KGaA are updated on this at least once a year.

Risks associated with procuring raw materials, bought-in products, and energy are thematically assigned to the sustainability matters addressed in Chapter 3 (ESRS E5), and climate and environmental risks are thematically assigned to the sustainability matters addressed in Chapter 2 (ESRS E1).

Sto pursues remuneration strategies in the form of appropriate actions relating to the most important risks. These are monitored by those responsible for risk management on an ongoing basis, at least once a year.

The scope, main features, and components of the risk management and internal control processes and systems for the material impacts, risks, and opportunities identified in the materiality assessment are explained in more detail in Chapter 1.4.1, 'Disclosures on the materiality assessment process'.

## 1.3. Strategy

**SBM-1 Strategy, business model and value chain**

The disclosures on the business model and the downstream value chain are included in the correspondingly labelled disclosures in Section A. 'Group fundamentals of the Group management report' (Chapters 'Business model' up to and including 'Customers and distribution system'), and are also an integral part of this sustainability statement.

The disclosures on our own business activities and upstream value chain can be found in the correspondingly labelled disclosures in Section C. Other performance indicators in the Group management report (Chapters 'Production' up to and including 'Procurement') are also included and form an integral part of this sustainability statement.

Sto's customers and employees are both spread around the world. The number of employees in the Sto Group by geographical area is shown below:

**Employees by geographical allocation**

| | Total | As a percentage |
|---|---|---|
| Western Europe | 4,325 | 77.2 |
| Northern/Eastern Europe | 581 | 10.4 |
| America/Asia/Pacific | 693 | 12.4 |

In accordance with the sustainability strategy adopted in 2021, Sto pursues a holistic approach that extends to every area within the Group's sphere of influence and is being implemented at every value-added step. The sustainability activities are based on the materiality assessment, which analyses the positive and negative impacts of corporate activities on the economy, the environment, and people, as well as on the Sto Group itself. The materiality assessment method is described in detail below. In addition, the sustainability measures have been aligned with the United Nations' 17 Sustainable Development Goals, or SDGs for short. This has resulted in six general focal points for sustainable development within the Sto Group:

- **Climate change mitigation:** This objective relates in particular to sustainability matters arising from ESRS E1 in Chapter 2.
- **Environmental protection:** This objective relates in particular to sustainability matters arising from ESRS E1 in Chapter 2.
- **Circular economy:** This objective relates in particular to sustainability matters arising from ESRS E5 in Chapter 3.
- **Health and well-being:** This objective relates in particular to sustainability matters arising from ESRS S1 and ESRS S4 in Chapters 4 and 7.
- **Transparency and social responsibility:** This objective relates in particular to the sustainability matters arising from ESRS S1, ESRS S2, ESRS S3, ESRS S4, and ESRS G1 in Chapters 4 to 8.
- **Employees:** This objective relates in particular to sustainability matters from ESRS S1 and ESRS S4 in Chapters 4 and 7.

Our corporate vision is as follows: Sto strives to be the worldwide technology leader in the sustainable design of living space tailored to human needs. Sto pursues this by implementing its mission 'Building with conscience.', which has been in effect since 1988.

Sto believes that the most important challenges it will face in the future arise from climate change and regulatory actions relating to the environment and social issues that are relevant to Sto's sustainability statement.

Sto's corporate vision and other principles on which our practice is based are defined in our Guiding Principles, which provide guidance for all strategic and operational decisions. The Strategy 2025 objectives set within the Guiding Principles are as follows:

**Sustainable, profitable, and capital-efficient growth:** Sto aligns all decisions with this overarching corporate objective. This objective relates in particular to sustainability matters arising from Chapters 2 (ESRS E1) and 3 (ESRS E5).

**Customer focus:** Sto is an expert, reliable, and flexible partner, and stands for excellent products and services, as well as perceptible sustainability. The company offer its customers various options for easy and reliable business transactions. This objective relates in particular to sustainability matters arising from Chapter 7 (ESRS S4).

**Performance potential:** With its segmented, efficient distribution organisation, Sto consistently taps market potential all around the world. By drawing on its product and system portfolio, Sto develops impressive and differentiated complete solutions to cover the entire value chain of our target groups. Integrated, standardised processes – implemented or supported digitally whenever appropriate – are the prerequisite for cost efficiency and productivity. This objective relates in particular to sustainability matters arising from Chapters 5 (ESRS S2) and 7 (ESRS S4).

2025090405741

**Committed employees:** The Sto Group prioritises targeted, systematic development of employee skills. In turn, this ensures that employees feel more committed. In order for the strategy to be implemented successfully, it is very important for the corporate culture to be characterised by a willingness to embrace change, which is fostered worldwide. Highly motivated and committed employees embody and ensure the attractiveness of the company. This objective relates in particular to sustainability matters arising from Chapter 4 (ESRS S1).

As part of the sustainability strategy defined in 2021, the following concrete sustainability goals were set for the period leading up to and including 2025, focusing on the most important products and services, customer categories, geographical areas, and relationships with stakeholders:

**General goals with regard to employees:**
- Increasing our attractiveness as an employer
- Vocational training rate above the average for the chemical industry in Germany

**Corporate targets with regard to employees:**
- Reconciling work and family life
- Diversity and equal opportunities
- 20 % of management positions filled by women
- Equal pay for equal work
- Increasing spending on employee skills, training, knowledge transfer by 60 % (compared to 2019)

**General goals with regard to transparency and social responsibility:**
- Upholding and protecting human rights
- Ensuring compliance and fairness
- Providing comprehensive information to stakeholders
- Supporting those in need

**Corporate goals with regard to transparency and social responsibility:**
- 100 % recognition/sign-off of the Supplier Code of Conduct by all relevant suppliers and risk assessment of these (Tier 1 and relevance)
- No convictions related to compliance

**Corporate targets with regard to health and well-being:**
- The highest standards of occupational safety and no serious injuries at our own production facilities
- Promoting the health of employees through a variety of measures

**Product objectives:**
- 75 % of all Sto products sold (measured by turnover) contribute to reducing $CO_2$ in the construction sector
- Continuously determining and reducing the Carbon footprint of products
- Achieving 'zero landfill' by 2030 (in relation to packaging, product, and construction-site residues)
- Reducing hazardous materials and harmful substances in products
- Optimising the circularity of packaging, material residues, construction site waste, and dismantled materials
- At least 20 % of products are certified as circular
- Emission tests for 100 % of interior products
- Avoiding or reducing the use of substances harmful to health
- 100 % of products have at least one environmental label (eco-label, EPD, Sustainability Data Sheet)
- Sourcing raw materials from certified responsible sources

With the products and systems of its core business, the company contributes to reducing energy and resource consumption, as well as greenhouse gas emissions, in the construction sector. Although energy and raw materials must be used for the industrial production of insulation systems and building materials, over their service life they save many times the Carbon footprint caused in production.

Sto identifies its products and systems that contribute to climate change mitigation, and determines their economic and climate-friendly potential. The most important products relating to Sto's sustainability goals are:

- External wall insulation systems (EWIS): these systems reduce emissions as they save energy and conserve resources by maintaining existing buildings through energy retrofitting.
- Facade coatings (such as renders): these protect and help to preserve buildings, and are an integral part of durable EWIS.
- Concrete repair: these actions extend the useful life of buildings.

Sto determines, quantifies, and publishes the environmental effects of its products and systems with a clear focus on its Carbon footprint; for example, through Environmental Product Declarations (EPDs).

The company also creates specific life cycle assessments for Sto products and systems, and constructs a life cycle assessment database to analyse and optimise the impact of Sto products and systems on climate change.

The markets and customer groups associated with these products also have a particularly significant role to play in our sustainability goals.

## SBM-2 Interests and views of stakeholders

We communicate regularly with our stakeholders and closely monitor their interests in order to continuously improve and respond to future trends, global developments, and changing market requirements.

Based on an analysis conducted in 2017, the following stakeholder groups have been identified as relevant for Sto: shareholders, authorities and the state, customers and consumers, service providers and suppliers, society and the public, representatives (such as NGOs and associations), employees, press and media, and the competition.

Sto communicates with **shareholders and lenders** using the following dialogue formats:

- Annual General Meeting
- Discussions with rating agencies, equity investors, and external creditors
- CSR and sustainability reports in accordance with international standards

The most important topics that are identified and addressed on an ongoing basis as part of these dialogue formats include:

- Profitable growth that protects capital
- Attractive dividend policies and development
- ESG ratings
- Compliance and minimising investment risk
- Low reputational risk and positive corporate image
- Current business development and outlook

Sto communicates with **authorities and the state** using the following dialogue formats:

- Dialogue with the authorities
- Audits
- Disclosure/transparency through our Annual Report and Sustainability Report
- Proactive compliance with requirements/directives/laws, such as the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), the Corporate Social Responsibility Directive Implementation Act (CSR-RUG), and the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)

The most important topics that are identified and addressed on an ongoing basis as part of these dialogue formats include:

- Efficient use of resources; water management
- Climate change
- Liability in tax matters
- Structural, occupational, and transport safety
- Human rights

Sto communicates with **customers and consumers** using the following dialogue formats:

- Training and customer seminars
- Customer relationship management
- Customer satisfaction surveys
- Dialogue with architects, planners, real estate investors
- Simple, comprehensible communication materials, some of which are prepared according to specialist topics: online: website, newsletter; offline: customer magazines such as StoProfi Info (for tradespeople), StoReport (customer magazine for the prefabricated timber construction industry), '[ark]' (global architecture magazine), 'we werte entwickeln' (customer magazine for the housing industry)
- Specific product information (sustainability data sheets, EPDs, eco-labels, product brochures, and benefits argumentation)

The most important topics that are identified as part of these dialogue formats, and are therefore also addressed on an ongoing basis, include:

- Quality assurance
- Delivery and pricing policies
- Product innovations, sustainable products
- Cooperation

Sto communicates with service providers and suppliers using the following dialogue formats:

- Workshops and seminars
- Supplier surveys and evaluations
- Use of and awareness of supplier platforms
- Close and regular dialogue on the 'Supplier Code of Conduct'

The most important topics that are identified and addressed on an ongoing basis as part of these dialogue formats include:

- Quality, dependability, and contractual performance
- Health and safety
- Climate and environment
- Responsible corporate governance and upholding human rights

Sto communicates with **society and the public** using the following dialogue formats:

- Communication and transparency concerning corporate activities, as well as products and their impact (energy consumption, Carbon footprint, environmental compatibility, human well-being/healthy living spaces) through the website
- Participation in (local) events
- Presentations
- Social media

20250904057742

- Whistleblower platform
- European architecture competition ECOLA for construction projects involving render and plaster, awarded by the Federal Association for Finishing and Facades in the Umbrella Association of the German Building Industry (Bundesverband Ausbau Fassade im Zentralverband des Deutschen Baugewerbes) and Sto

Sto communicates with its **employees** using the following dialogue formats:

- Employee survey
- Reporting system
- Exit interviews
- Discussion formats between the Executive Board of STO Management SE and employees or the Works Council
- Appraisal interviews
- Suggestion scheme (company suggestion scheme)

The dialogue formats with stakeholders are intended to ensure that the views and interests of relevant groups and individuals who are affected by or have an interest in the aforementioned topics are known within the company and can be taken into account.

The process aims to promote transparency, identify trends and social developments, improve decision-making, and foster a dialogue between the company and its stakeholders. Incorporating this ensures that the views and concerns of stakeholders are taken into account, which not only leads to better actions, but also strengthens acceptance of and trust in the company's practices.

The results of this consultation feed into the company's decisions. Sto analyses the feedback and proposals from stakeholders and incorporates them into its planning and decision-making processes where appropriate. This means that any suggestions and concerns that are recorded are also factored into the final actions.

For example, stakeholder opinions are incorporated into planned projects and product developments in the form of adjustments, are taken into account in requirements that relate to standards or are usual for the market, lead to additional communication, or result in the implementation of additional actions that meet the interests of the groups affected. Concrete proposals have been implemented or rejected on the basis of a substantiated internal assessment.

The Executive Board of STO Management SE is informed by the Sustainability department, Heads of Division, and regional managers about the views and interests of the affected stakeholders with regard to the company's sustainability-related impacts, and then informs the Supervisory Board.

In addition, the interests and viewpoints of the most important stakeholders are taken into account in the strategy process so that all relevant interests and perspectives are comprehensively incorporated. This has an indirect influence on the business model on which the strategy is based. There were no material changes to Sto's strategy or business model in 2024.

### SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The resilience of Sto's strategy and business model in terms of its ability to manage material impacts and risks, and to take advantage of material opportunities, is evident from the policies drawn up, actions implemented, and goals adopted. In addition, a resilience analysis was carried out in 2024, which is described in detail in Chapter IRO-1, 'Description of the processes to identify and assess material impacts, risks and opportunities'.

The material risks and opportunities do not have any significant current financial effects on the Sto Group's financial position, financial performance, and cash flow. Furthermore, there is no significant risk of a material adjustment to the carrying amounts of the assets and liabilities recognised in the associated consolidated annual financial statement of the Sto Group in connection with the material risks and opportunities.

All of the positive impacts and opportunities identified reinforce Sto's strategic direction in this area and emphasise its importance. The negative impacts and risks identified may lead to adjustments and actions in the business model, value chain, strategy, or decision-making in order to prevent or minimise (further) negative impacts. All identified material impacts are directly caused by the company's business model and strategy.

In the following tables, the impacts, opportunities, and risks identified as part of the materiality assessment are categorised according to various characteristics:

**ESRS E1**
There are negative and positive impacts, opportunities, and risks for Sto in the area of climate change mitigation.

**Climate change adaptation**
Effects of impacts on people and the environment and part played by own activities or business relationships in these impacts

With the actual positive impact in the downstream value chain in the area of climate change adaptation,

Sto can support the reduction of greenhouse gas emissions (GHG emissions) through the company's products and services and thus mitigate the consequences of climate change. Sto's own activities and business relationships contribute significantly to this positive impact. Development activities in particular can lead to optimised products and services that can help society to cope with the consequences of climate change.

Sto has also identified an opportunity and a risk in connection with climate change adaptation.

**Climate change adaptation**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| The company's products and services help society deal with the consequences of climate change | Actual positive impact (downstream value chain) | Occurrence: short-term Impact: medium- to long-term |
| Financial risks due to physical climate risks with regard to own permanent establishments | Risk (own area of business) | Occurrence: medium- to long-term Impact: medium- to long-term |
| Increased sales and opening up of new business fields via a product portfolio that protects buildings and is thus adapted to climate change | Opportunity (downstream value chain) | Occurrence: short-term Impact: medium- to long-term |

### Climate change mitigation

Effects of impacts on people and the environment and part played by own activities or business relationships in these impacts

With the actual or potential positive impacts relating to climate change mitigation, Sto can help reduce greenhouse gas emissions through its products and services, thereby mitigating the consequences of climate change. In this case, too, the company's own activities and business relationships make a significant contribution to positive impacts. Development activities in particular can lead to optimised products and services that can support society and the value chain in managing the reduction of greenhouse gas emissions.

With the actual negative impacts in the area of climate change mitigation, relating to the existence of Scope 1, Scope 2, and Scope 3 emissions as well as emission-intensive value creation steps and transport routes, Sto is contributing to climate change. Climate change has negative impacts on people and the environment, including increased temperatures, sea level rises, extreme weather events, loss of biodiversity, and health problems. As a manufacturing company, Sto has a part to play in material impacts of this kind through its business activities, resource requirements, and international supply chains.

Sto has also identified opportunities and risks in connection with climate change mitigation.

**Climate change mitigation**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Sto's products support the reduction of greenhouse gas emissions in society as a whole | Actual positive impact (downstream value chain) | Occurrence: short-term Impact: medium- to long-term |
| Sto contributes to the reduction of Scope 3 GHG emissions by cooperating in projects with the upstream value chain | Actual positive impact (entire value chain) | Occurrence: short-term Impact: medium- to long-term |
| Sto potentially contributes to the reduction of greenhouse gas emissions in the supply chain | Potential positive impact (upstream value chain) | Occurrence: short-term Impact: medium- to long-term |
| Sto still has Scope 1 and Scope 2 emissions that contribute to climate change | Actual negative impact (upstream value chain and own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Sto still has Scope 3 emissions that contribute to climate change | Actual negative impacts (entire value chain) | Occurrence: short-term Impact: medium- to long-term |
| There are emission-intensive value-added steps in Sto's supply chain (e.g. chemicals, cement, brick) | Actual negative impact (upstream value chain) | Occurrence: short-term Impact: medium- to long-term |
| Sto products are partly distributed by lorry transport, which is emission-intensive; a vehicle fleet is available for the sales force | Actual negative impact (downstream value chain and own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Increased costs with a view to rising $CO_2$ prices due to stricter regulations and the resulting actions to reduce greenhouse gas emissions | Risk (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Increased demand for products due to stricter climate change mitigation | Opportunity (own area of business) | Occurrence: short-term Impact: medium- to long-term |

2025090405743

**Energy**
Effects of impacts on people and the environment and part played by own activities or business relationships in these impacts

With the actual positive impact in its own area of business in the field of energy, Sto can support the reduction of greenhouse gas emissions through the reduction of the fossil fuels it uses and thus mitigate the consequences of climate change. By using renewable energies and increasing energy efficiency, Sto is making a significant contribution to this positive impact.

With the actual negative impacts in the area of energy, relating to low energy efficiency or high use of fossil energy sources in Sto's own area of business, or relating to energy-intensive value-added steps, Sto contributes to climate change. The impact of climate change on people and the environment has already been summarised. As a manufacturing company, Sto has a part to play in material impacts of this kind through its business activities, resource requirements, and international supply chains.

Sto has also identified a further risk in connection with energy.

**Energy**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Sto places a high value on energy efficiency and the use of renewable energies | Actual positive impact (own area of business) | Occurrence: short-term<br>Impact: medium- to long-term |
| Low energy efficiency in certain companies without energy management | Actual negative impact (own area of business) | Occurrence: short-term<br>Impact: medium- to long-term |
| High use of fossil energy sources for energy generation and by the vehicle fleet | Actual negative impact (own area of business) | Occurrence: short-term<br>Impact: medium- to long-term |
| There are energy-intensive value-added steps in Sto's supply chain (e.g. chemicals, cement, and mineral wool) | Actual negative impact (upstream value chain) | Occurrence: short-term<br>Impact: medium- to long-term |
| Increased costs due to stricter regulations and/or taxation regarding the use of fossil fuels | Risk (own area of business) | Occurrence: short-term<br>Impact: medium- to long-term |

**ESRS E5**

**Resources inflows, including resource use**
Effects of impacts on people and the environment and part played by own activities or business relationships in these impacts

With the actual negative impacts in the area of resource inflows, including resource use, relating to resource consumption in Sto's own area of business or the upstream value chain, Sto contributes to resource scarcity. Resource scarcity can lead to overexploitation and thus to a deterioration in the quality of resource sources. The scarcity of resources can increase production costs and jeopardise economic stability. This can lead to social tensions and exacerbate social inequalities. As a manufacturing company, Sto has a part to play in material impacts of this kind through its business activities, resource requirements, and international supply chains. In particular mineral raw materials such as quartz, sands, marble, and cement, as well as chemical raw materials play an important role throughout Sto's value creation process.

Sto has also identified a further risk in connection with resource inflows, including resource use.

**Resources inflows, including resource use**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Resource consumption in the upstream value chain (important input resources include quartz and sand, for example) | Actual negative impact (upstream value chain) | Occurrence: short-term<br>Impact: medium- to long-term |
| Resource consumption in own production (primarily mineral raw materials, marble, quartz sand, cement, and chemical products) | Actual negative impact (own area of business) | Occurrence: short-term<br>Impact: medium- to long-term |
| Financial risks due to rising resource prices (e.g. primarily sand and cement; possibly also chemical products) | Risk (upstream value chain) | Occurrence: short-term<br>Impact: medium- to long-term |
| Financial risk due to limited availability of certain input factors (e.g. titanium dioxide, preservatives) | Risk (upstream value chain) | Occurrence: short-term<br>Impact: medium- to long-term |

## ESRS S1

### Working conditions

Effects of impacts on people and the environment and part played by own activities or business relationships in these impacts

With the potential negative impact in the area of working conditions, Sto contributes to potentially jeopardising the health of employees in production, logistics, and development. Health impairments could then lead to further restrictions for these people. Through its specific, product-related production, logistics, and development processes, Sto has a part to play in this potential material impact in the context of its business activities.

With the actual negative impact in the area of working conditions, relating to selective overworking of employees, Sto contributes to increased stress and exhaustion, and reduced job satisfaction, leading to a negative impact on the long-term health, well-being, productivity, and quality of work of employees. Through its product-, market-, and customer-specific requirements in the production process, Sto has a part to play in this material impact.

With the positive impacts in the area of working conditions, relating to secure employment, remuneration, collective bargaining coverage, and flexibility for employees, Sto contributes to increased job satisfaction and rest, which has a positive impact on the long-term health, well-being, productivity, and quality of work of employees. Through its business activities, Sto has a part to play in these material impacts based on its role as an international, listed, family-run company with defined attitudes, a corporate philosophy, and established infrastructures.

Sto has also identified a further opportunity in connection with working conditions.

**Working conditions**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Employees can cover their own needs and those of their families on the basis of their remuneration, taking into account national economic and social conditions | Actual positive impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| High degree of flexibility for employees in terms of organising their working time and work-life balance | Actual positive impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| A strong sense of belonging among and job security for employees | Actual positive impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Higher productivity in the company through a strong sense of belonging and job security for employees | Opportunity (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Selective overload of employees due to peak workloads | Actual negative impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Employees in production, logistics, and development face a potential risk to their own health | Potentially negative impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Employees of all groups are adequately represented in terms of economic, social, and other needs thanks to the high level of collective bargaining coverage | Actual positive impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |

20250904057744

**Equal treatment and opportunities for all**
Effects of impacts on people and the environment and part played by own activities or business relationships in these impacts

With the actual positive impacts in the area of equal treatment and opportunities for all, relating to a low gender pay gap, principles of conduct, and reporting points for incidents of discrimination, Sto contributes to gender-specific equal treatment of employees and the prevention of discrimination. Both aspects support the well-being, satisfaction, health, and motivation of employees, and promote an inclusive and productive working environment. With the actual positive impact relating to support for employees, Sto helps employees learn new skills and improve existing ones. This can increase their professional expertise, performance, job satisfaction, and motivation. Through its business activities, Sto has a part to play in these material impacts in its role as an international, listed, family-run company with defined attitudes and established infrastructures.

With the actual negative impacts in the area of equal treatment and equal opportunities, relating to little gender diversity, a low proportion of women in management positions, a low proportion of persons with disabilities, and infrastructures against gender discrimination that show room for improvement, Sto contributes to increased stress and reduced job satisfaction, which can negatively affects the long-term health, well-being, productivity, and quality of work of employees. With the actual negative impact relating to inadequate access to training and other performance and career development opportunities, Sto makes it difficult for employees to learn new skills and improve existing ones. This can reduce their professional expertise, performance, job satisfaction, and motivation. Through its business activities, and in particular through the further development of the areas to which the negative impacts relate, Sto has a part to play in these material impacts.

Sto has also identified a further risk in connection with equal treatment and equal opportunities.

**Equal treatment and opportunities for all**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Employees have the assurance that their development is supported | Actual positive impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Employees feel that access to training and other performance and career development opportunities is inadequate because they are not provided to everyone | Actual negative impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Capacity bottlenecks and a lack of replacement staff in the company due to a shortage of skilled workers and an ageing own workforce | Risk (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Employees have the assurance that there is little or no gender pay gap | Actual positive impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Employees have the assurance that there are principles of conduct and reporting points for incidents of discrimination or other incidents | Actual positive impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Female employees do not feel adequately represented in terms of their economic and social needs due to little gender diversity and the low proportion of women in leadership positions | Actual negative impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Due to the low proportion of persons with disabilities, these persons not feel adequately represented with regard to their economic and social needs | Actual negative impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Employees see the approach and infrastructure against gender-specific discrimination as in need of improvement, also in the context of an industry-specific risk, and perceive a lack of commitment to diversity on the part of the company | Actual negative impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |

### Other work-related rights

Effects of impacts on people and the environment and part played by own activities or business relationships in these impacts

With the actual positive impacts, Sto promotes fundamental principles that create an ethical and respectful working environment. This contributes to the well-being, satisfaction, health, and motivation of employees, and promotes a productive working environment. In addition, the positive impacts are aimed at preserving the personal dignity of employees. This promotes a feeling of respect and appreciation. Through its business activities, Sto has a part to play in these material impacts in its role as an international, listed, family-run company with defined attitudes and established infrastructures.

With the potential negative impact, Sto may contribute to a feeling of uncertainty among employees, which may lead to increased stress and reduced job satisfaction. This has a negative impact on the long-term health, well-being, productivity, and quality of work of employees. Through its business activities, and in particular through the further development of the areas to which the negative impacts relate, Sto has a part to play in this potential material impact.

**Other work-related rights**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Employees have the assurance that no human rights abuses (child labour and forced labour) are taking place within the company's own business activities | Actual positive impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Employees have the assurance that their privacy, self-determination, and personal freedom are respected in the workplace | Actual positive impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |
| Employees potentially do not have the assurance that their privacy, self-determination, and personal freedom will be respected in the workplace in the future | Potentially negative impact (own area of business) | Occurrence: short-term Impact: medium- to long-term |

## ESRS S2

### Working conditions of employees in the value chain

Effects of impacts on people and the environment and part played by own activities or business relationships in these impacts

With the positive impacts in the area of working conditions of employees in the value chain, relating to occupational safety and adequate working time, Sto contributes to safe workplaces on the one hand and to a better work-life balance for employees in the upstream value chain on the other, leading to greater satisfaction and a better quality of life for them.

With the potential negative impacts, which also relate to occupational safety and adequate working time in the area of working conditions of employees in the value chain, Sto can contribute to the opposite effect on people in the upstream value chain.

Through its existing business relationships with suppliers, Sto has a part to play in these material impacts.

**Working conditions of employees in the value chain**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Employees in the value chain potentially have the assurance that Sto respects adequate working time | Potential positive impact (upstream value chain) | Occurrence: short-term Impact: medium- to long-term |
| Employees in the value chain are potentially affected by risks relating to working time | Potentially negative impact (upstream value chain) | Occurrence: short-term Impact: medium- to long-term |
| Employees in the value chain have the assurance that Sto is ensuring occupational safety | Actual positive impact (upstream value chain) | Occurrence: short-term Impact: medium- to long-term |
| Employees in the upstream value chain face potential dangers with regard to their occupational safety | Potentially negative impact (upstream value chain) | Occurrence: short-term Impact: medium- to long-term |

### Equal treatment and equal opportunities for all employees in the value chain

Effects of impacts on people and the environment and part played by own activities or business relationships in these impacts

With the potential negative impact in the upstream value chain, Sto potentially contributes to increased stress and reduced job satisfaction among employees in the upstream value chain, which can have a

20250904057745

negative impact on the long-term health, well-being, productivity, and quality of work of employees. Sto plays a part in this material impact through its existing business relationships with suppliers.

**Equal treatment and equal opportunities for all employees in the value chain**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Employees in the value chain are potentially affected by risks relating to equal treatment and discrimination | Potentially negative impact (upstream value chain) | Occurrence: short-term Impact: medium- to long-term |

## ESRS S3

### Communities' civil and political rights

Effects of impacts on people and the environment and part played by own activities or business relationships in these impacts

With the potential negative impacts in the upstream value chain, Sto may contribute to discrimination and unequal treatment of affected communities. Certain groups may be systematically disadvantaged, leading to an increase in social tensions and injustices. Disregard for human rights can undermine trust and cohesion within a community. This leads to social fragmentation and conflicts that destabilise community life. Through its existing business relationships, and due to the fact that suppliers are based in certain affected countries, Sto has a part to play in these material impacts.

**Communities' civil and political rights**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| In certain countries where suppliers are based, there are potential cases of restrictions on freedom of expression | Potentially negative impact (upstream value chain) | Occurrence: short-term Impact: medium- to long-term |
| In certain countries where suppliers are located, there are potential cases of restriction of freedom of assembly | Potentially negative impact (upstream value chain) | Occurrence: short-term Impact: medium- to long-term |
| In certain countries where suppliers are based, human rights defenders are potentially restricted | Potentially negative impact (upstream value chain) | Occurrence: short-term Impact: medium- to long-term |

## ESRS S4

### Information-related impacts for consumers and end-users

Effects of impacts on people and the environment and part played by own activities or business relationships in these impacts

With the actual positive impacts in its own area of business, Sto contributes to increased data security and legal compliance for consumers and end-users. A data protection management system helps to provide more protection for personal data and minimise the risk of data loss or theft. In addition, the implementation ensures that the company complies with statutory requirements such as the General Data Protection Regulation (GDPR). Through its business activities, Sto has a part to play in these material impacts in its role as an international, listed, family-run company with an established infrastructure and internal data protection regulations.

**Information-related impacts for consumers and end-users**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Sto operates a data protection management system (for Germany only) | Actual positive impact in own area of business | Occurrence: short-term Impact: medium- to long-term |
| Compliance with data subject rights and processing only with a legal basis | Actual positive impact in own area of business | Occurrence: short-term Impact: medium- to long-term |

### Personal safety of consumers and end-users

Effects of impacts on people and the environment and part played by own activities or business relationships in these impacts

With the actual positive impacts in the downstream value chain, Sto contributes to increased health and safety as well as building trust and increasing customer satisfaction. Through the provision of comprehensive information, including hazard warnings, customers and end-users are more informed in the decisions they make and can handle the products more safely. This reduces the risk of accidents and damage to health. In addition, transparent communication and comprehensive information strengthen the trust of customers and end-users in the company and its products. Through the organisation of its business relationships, Sto has a part to play in these material impacts.

ESRS 2 General information

**Personal safety of consumers and end-users**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Customers/end-users can obtain comprehensive information about the product/service, including hazard warnings (primarily Sto websites and Safety Data Sheets) | Actual positive impact in the downstream value chain | Occurrence: short-term Impact: medium- to long-term |
| Comprehensive actions are taken to ensure the safety and health of users and end-users (direct distribution to professional applicators) | Actual positive impact in the downstream value chain | Occurrence: short-term Impact: medium- to long-term |

promotes a culture of transparency. This strengthens trust between employees, management, and other actors in the value chain. In addition to its business relationships, Sto has a part to play in this material impact through its business activities as an international, listed, family-run company with defined attitudes and a corporate philosophy.

**Protection of whistle-blowers**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Various stakeholders such as employees and actors in the value chain have no barriers to addressing concerns and incidents | Actual positive impact throughout the value chain | Occurrence: short-term Impact: medium- to long-term |

## ESRS G1

### Corporate culture

Effects of impacts on people and the environment and proportion of impacts arising from own activities or business relationships

With the actual positive impact in its own area of business, Sto promotes employee satisfaction and also helps to strengthen employee loyalty. A culture characterised by ethical standards and compliance promotes trust and transparency within the company. Clear ethical directives and compliance programmes help to prevent misconduct and unethical conduct. This reduces the risk of legal problems, financial losses, and reputational damage. Through its business activities, Sto has a part to play in this material impact in its role as an international, listed, family-run company with an internal Code of Conduct as a binding guideline for acting with integrity.

**Corporate culture**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Employees have the assurance that the corporate culture is geared towards ethics and compliance | Actual positive impact in own area of business | Occurrence: short-term Impact: medium- to long-term |

### Protection of whistle-blowers

Effects of impacts on people and the environment and proportion of impacts arising from own activities or business relationships

With the actual positive impact throughout the value chain, Sto contributes to increased transparency and a strengthening of trust. When stakeholders have no barriers to addressing concerns and incidents, this

### Management of relationships with suppliers including payment practices

Effects of impacts on people and the environment and proportion of impacts arising from own activities or business relationships

With the actual positive impact in the upstream value chain, Sto helps to strengthen business relationships and improve compliance and risk minimisation. Clear requirements help suppliers to better understand and comply with statutory and regulatory requirements. This reduces the risk of infringements and the associated legal and financial consequences. Sto plays a part in this material impact through its existing business relationships with suppliers.

**Management of relationships with suppliers including payment practices**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Suppliers have clear requirements as a framework for orientation | Actual positive impact in the upstream value chain | Occurrence: short-term Impact: medium- to long-term |

### Corruption and bribery

Effects of impacts on people and the environment and proportion of impacts arising from own activities or business relationships

With the actual positive impact throughout the entire value chain, Sto increases the health and safety of various stakeholders, thereby strengthening trust and cooperation. A culture of risk minimisation promotes trust between employees, management, and other actors in the value chain. This supports cooperation and

20250904057746

team spirit. In addition to its business relationships, Sto has a part to play in this material impact through its business activities as an international, listed, family-run company with defined attitudes and a corporate philosophy.

**Corruption and bribery**

| Material impacts, risks, and opportunities | Location in the value chain | Time horizon |
|---|---|---|
| Various stakeholders such as employees and actors in the value chain have the assurance that the risk of incidents is minimised as far as possible | Actual positive impact throughout the value chain | Occurrence: short-term Impact: medium- to long-term |

## 1.4. Management of impacts, opportunities and risks

### 1.4.1. Information on the materiality assessment process

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

The materiality assessment for the 2024 financial year was carried out in spring 2024 in accordance with the requirements of the CSRD. This is Sto's first materiality assessment in accordance with the ESRS requirements. To ensure that all material impacts, opportunities, and risks in the 2024 financial year were taken into account, the assessment was updated in January/February 2025. In the annual revision of the materiality, the next iteration of which is taking place in the 2026 financial year, the impacts, opportunities, and risks will be reviewed again with respect to their materiality.

According to the principle of double materiality, which the materiality assessment follows, a topic must be classified as material as soon as the Sto Group has material impacts on the environment or on society (inside-out) or risks and opportunities for the Sto Group's financial situation are to be assessed as material (outside-in).

To determine the material impacts, risks, and opportunities, the business model and the entire value chain were analysed first. The analysis was not limited to individual business relationships, countries, locations, or significant assets.

The second step involved carrying out a stakeholder analysis.

**Business model and value chain**

The business model of the Sto Group and its companies, as well as all material activities and products, were analysed in Sto's own business area. The Sto locations were also analysed.

To gain a comprehensive picture, the upstream and downstream value chain was also analysed. For this purpose, an overview of the relevant value creation steps and the most important actors involved was drawn up. covering the entire value chain from extracting raw materials to the end of the service life of products and the end-of-life treatment of sold products. Sto's business model and value chain are described in the Chapter SBM-1.

**Stakeholder analysis**

As part of the stakeholder analysis, the relevant internal and external stakeholder groups were first identified.

These are an essential element in identifying and assessing actual and potential negative and positive impacts, as well as financial risks and opportunities, relating to the CSRD sustainability matters that need to be covered. The perspectives of the stakeholder groups are incorporated into the materiality assessment process directly (via representatives of the stakeholder groups) or indirectly (via internal experts who are able to represent the stakeholder perspective). In the course of the stakeholder analysis, the specific key actors within each of the groups were identified. There was no consultation with external stakeholders.

Finally, the identified stakeholder groups were assigned to the CSRD sustainability matters to be assessed.

**Potentially material topics**

Based on the list of topics in ESRS 1 AR.16, a longlist of the CSRD sustainability matters to be assessed was drawn up. The sustainability experts conducted an internal audit to determine whether there were any additional company-specific sustainability matters that needed to be considered and assessed. No such company-specific sustainability matters were identified.

The actors of relevance to the materiality assessment of the individual sustainability matters were then defined. A distinction must be made between internal topic experts and representatives of the stakeholder groups.

To determine the internal topic experts, the relevant internal departments and experts were defined for each sub-topic in accordance with ESRS 1 AR.16. Through their daily work, the internal representatives are in regular dialogue with the stakeholder groups concerned and are therefore able to represent the perspective of the stakeholder groups with regard to sustainability matters and to define and assess impacts, opportunities, and risks relating to the sustainability matters.

The Works Council and the Supervisory Board of Sto SE & Co. KGaA were involved in the process as stakeholder representatives.

The materiality assessment was carried out in three steps. The first step was to identify the potentially material impacts, risks, and opportunities associated with the individual ESG topics along the entire value chain. Information was incorporated from existing sources including, in particular, the existing risk management process, the established due diligence process, customer and employee surveys, and previous reporting.

In the second step, the identified impacts, risks, and opportunities were assessed in terms of their materiality based on the criteria specified by ESRS 1. No materiality assumptions were made in this regard. In the third step, the results of the assessment of impacts, opportunities, and risks were aggregated.

Various supervisory authorities were involved in the decision-making process with regard to potential impacts, opportunities, and risks and their assessment.

## Identification and assessment of impacts, opportunities, and risks for the potentially material sustainability matters

### Inside-out perspective (impact materiality)

The materiality assessment of the inside-out perspective is divided into a qualitative and a quantitative assessment. The qualitative assessment of the impacts describes their type (positive or negative, actual or potential), their cause (direct or indirect), their location in the value chain, and the time horizon of their occurrence.

In order to assess the impacts, the regulatory requirements stipulate that the severity of the impacts must first be determined. This severity can be broken down into the three dimensions of magnitude, scope, and remediability in accordance with ESRS 1 sec. 45.

In principle, the CSRD provides for the following calculation components:

- Magnitude of the impact
- Scope of the impact
- Remediability of the impact (only in the case of negative impacts)
- Likelihood of the impact occurring (only in the case of potential impacts)

With regard to the calculation components, the severity of impacts on human rights takes precedence over the likelihood of occurrence, in accordance with ESRS 1 sec. 45. This is taken into account in the methodology by treating the impacts as actual, even if they were only estimated as potential.

| **Magnitude of the impact** | |
|---|---|
| 5 | Ver high |
| 4 | high |
| 3 | Medium |
| 2 | Low |
| 1 | Very low |

| **Scope of the impact** | |
|---|---|
| 5 | Global/total |
| 4 | Widespread |
| 3 | Medium |
| 2 | Concentrated |
| 1 | Limited |

| **Remediability of the impact (only in the case of negative impacts)** | |
|---|---|
| 5 | Non-remediable/reversible |
| 4 | Very difficult or long-term |
| 3 | Difficult or medium-term |
| 2 | With resources (time and costs) |
| 1 | Relatively simple/short-term |

| **Likelihood of the impact occurring (only in the case of potential impacts)** | | **Factor** |
|---|---|---|
| 4 | Very likely (> 75 %) | 1 |
| 3 | Likely (> 50 %) | 0.85 |
| 2 | Somewhat unlikely (> 25 %) | 0.75 |
| 1 | Unlikely (< 25 %) | 0.65 |

### Outside-in perspective (financial materiality)

The materiality assessment of the outside-in perspective is divided into a qualitative and a quantitative assessment.

The qualitative assessment of opportunities and risks describes their nature, their location in the value chain, and the time horizon of their occurrence.

To ensure that risks are assessed in a standardised and consistent manner (beyond the materiality assessment), the quantitative assessment of risks and opportunities is based on the Sto Group's risk management. The risk classification ranges defined by risk management were used for this purpose.

These are determined on the basis of the Sto Group's earning power (asset, financial, and earnings items). The Sto Group's ranges are used because the materiality assessment is carried out at Group level.

20250904057747

Sustainability risks were not prioritised over other types of risks beyond the methodology applied.

In principle, the CSRD provides for the following calculation components when opportunities and risks are being assessed:

- Financial magnitude of the opportunity or risk
- Likelihood of the opportunity or risk occurring

In principle, risks are reported on a gross basis without taking actions into account.

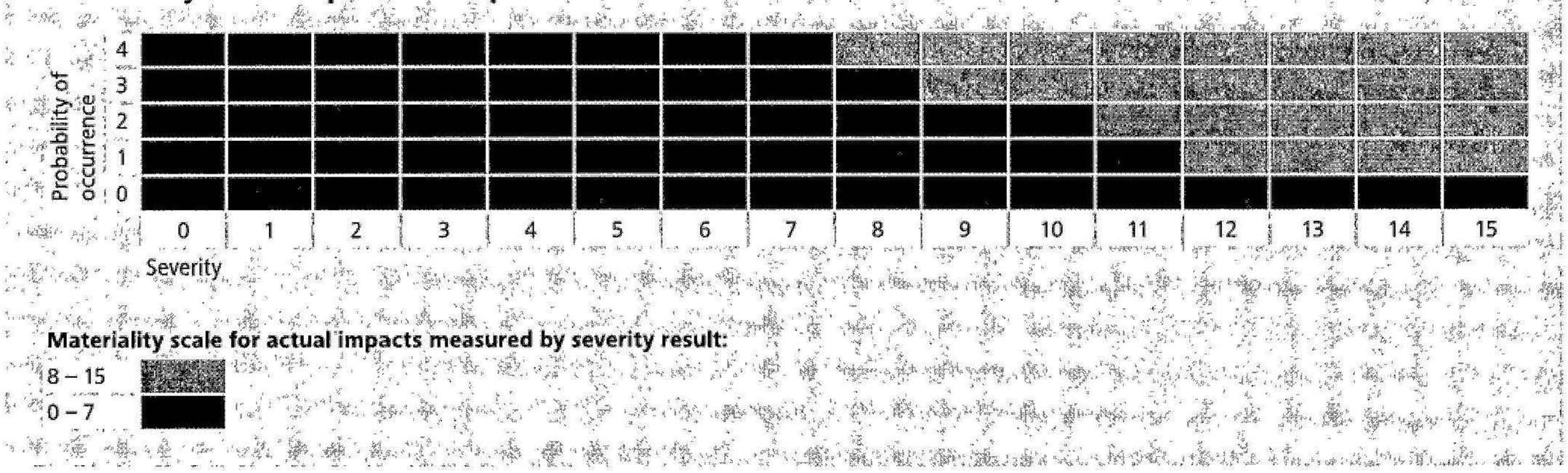
| Financial magnitude of the opportunity or risk | |
|---|---|
| 4 | Serious |
| 3 | Significant |
| 2 | Moderate |
| 1 | Low |
| 0 | No financial risk |

| Likelihood of the opportunity or risk occurring | | Factor |
|---|---|---|
| 4 | Very likely (> 75 %) | 1 |
| 3 | Likely (> 50 %) | 0.85 |
| 2 | Somewhat unlikely (> 25 %) | 0.75 |
| 1 | Unlikely (< 25 %) | 0.65 |

**Aggregation of results of the inside-out perspective and outside-in perspective**

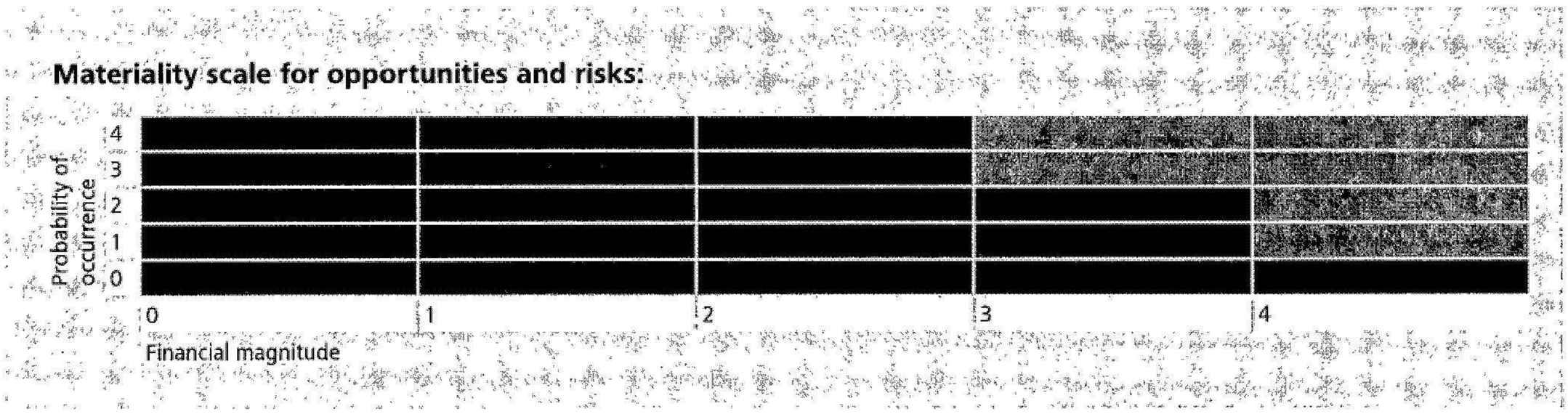
A list of the Sto Group's material impacts, risks, and opportunities was identified by consolidating the results from the previous steps.

An impact is considered material if the overall result, rounded to a whole number, is at least 8.




In the diagram below, the values for the materiality of opportunities and risks are highlighted in colour.

Risks and opportunities are considered material if the overall result, rounded to a whole number, is at least 3.



With regard to the opportunities and risks, it was noted as part of the materiality assessment whether these arise in connection with dependencies or impacts. The financial effects of the opportunities and risks are included in the assessment.

The individual impacts, opportunities, and risks were assessed using the above methodology. According to the CSRD's underlying approach of double materiality, an issue is already material if it can be classified as material from either the impact materiality or the financial materiality perspective. Impact materiality exists for a topic if the topic has an impact that is assessed as material. Financial materiality exists for a topic if the topic is associated with a financial risk or a financial opportunity that is assessed as material.

The interactions between the inside-out perspective and the outside-in perspective were taken into account by analysing, in every topic area, the extent to which an impact would lead to a financial opportunity or a financial risk, or vice versa. In this way, Sto ensured that impacts, opportunities, and risks were defined and assessed both completely and consistently.

In order to determine and assess potential impacts, risks, and opportunities in connection with corporate policy, Sto initially used the existing risk management system as a basis. In addition, it incorporated information from other existing sources, such as the established due diligence process, customer and employee surveys, and previous reporting.

The information drawn from risk and opportunity management (see information on Chapter 1 (ESRS 2), Chapter GOV-5 'Risk management and internal controls over sustainability reporting'), and from discussions with stakeholders using various dialogue formats (see Chapter 4 (ESRS S1) for details of the dialogue process), was bundled in the materiality assessment described above in accordance with the requirements of the CSRD.

Furthermore, specific (sector-specific) impacts, risks, and opportunities for the building materials supply industry were analysed. The procurement of raw materials is of particular importance to the sector, meaning that the associated impacts, risks, and opportunities can be material. In this context, Sto's reporting system enables both internal and external whistleblowers, such as people from affected communities or employees in the value chain, to draw attention to grievances and incidents. Sto uses this information to determine whether the impacts, opportunities, and risks associated with the procurement of raw materials are material.

## ESRS E1

### Process and resilience analysis

In 2024, Sto carried out a resilience analysis based on the results of the double materiality assessment and the climate risk analysis from 2023 and 2024. A qualitative assessment was performed regarding the extent to which the strategy, business, and operating model are able to address the material impacts, risks, and opportunities. The assessment of resilience was based on criteria such as the scope and quality of existing directives, management processes, actions, and targets, the consideration of impacts, risks, and opportunities in the sustainability strategy, and challenges in the implementation of adaptation measures and strategies. The integration of ESG criteria into business processes, Sto's influence on the indirect value chain, the ESG expertise of the specialist departments and the Executive Board of STO Management SE, and the involvement of relevant stakeholders were also taken into account as indirect drivers of resilience. The time horizons considered in the resilience analysis correspond to those in the materiality and climate risk analysis; they cover all Group companies included in the CSRD reporting and relate to the entire value chain.

The Sto Group is largely able to manage its material impacts, risks, and opportunities in relation to climate change. In particular, manufacturing products that have a positive impact on climate change adaptation increases resilience to changes resulting from climate change in the short, medium, and long term. Various directives, actions, and targets address the impacts of climate change. In addition to the 'Energy efficiency in procurement (life cycle)' policy, the package of measures aimed at achieving the climate action targets helps minimise climate risks, as does the climate risk analysis. On the other hand, there are fundamental challenges in the form of the fact that business activities can have negative impacts on climate change and that this can generally lead to resource shortages and price increases. This also affects energy-intensive supply chains. Regulatory developments relating to climate change also need to be considered.

Sto has used the methodology explained previously to determine and assess potential impacts, risks, and opportunities associated with climate change. In addition, information from other existing sources, such as the greenhouse gas balance and the climate risk analysis, were incorporated into the assessment, as was the risk inventory.

There are critical assumptions about how the transition to a low-carbon, resilient economy will have an impact on energy consumption. A delay in the transition from fossil to non-fossil energy sources is driving the need to further reduce energy consumption. The way in

20250904057748

which this change could have an impact on the energy mix is also being analysed. Additionally, there is the critical assumption that the transition to an energy supply based on renewable energy cannot be realised quickly and cost-effectively. Other critical assumptions concern the use of technologies in a low-carbon, resilient economy. The focus in this case is on the need for green hydrogen in the value chain in order to make energy-intensive production processes more climate-friendly. This transition may have additional impacts on the relevant macroeconomic trends for Sto. There are also critical assumptions about how rising energy prices, geopolitical developments, shortages, and purchasing power trends will affect construction costs and Sto's business.

The resilience analysis primarily considered the long-term time horizons of 2024 to 2030 and 2024 to 2050. These are used to set emission reduction targets as part of preparing a transition plan and are aligned with the climate and business scenarios used to determine material physical risks and transition risks.

The main sources of emissions at Sto are fossil fuels for heating buildings and hot water, the Sto fleet of vehicles, purchased electricity, the procurement of district heating or cooling, and steam. Further emissions are caused along the value chain; for example, in the process of producing purchased materials and primary products. Some of these emission sources are analysed as part of energy management (in accordance with ISO 50001), and reduction and substitution measures have been initiated at Sto's locations. Along the value chain, these sources of emissions are taken into consideration as part of projects aimed at optimising the sustainability of products. Sto reviews its activities and plans with the help of reviews and audits in order to identify potential future sources of GHG emissions.

A detailed list of GHG emissions can be found in Chapter 2 (ESRS E1), E1-6 'Gross Scopes 1, 2, 3 and Total GHG emissions'.

Sto carried out a climate risk analysis for 56 locations in 2023 and 2024 in order to analyse the physical climate risks in its own operations. These were identified on the basis of their relevance to operations. The analysis was carried out with regard to current and future physical climate risks, for which three climatic scenarios were used: SSP1-2,6 'Peak and Decline', SSP2-4,5 'Stabilisation without overshoot', and SSP5-8,5 'Rising'. These scenarios offer a broad perspective of possible climatic developments and their potential impacts on each location.

The following metrics were taken into account in the analysis:

- River flooding: assessment of risks due to rising water levels and flooding.
- Wind: analysing the impacts of strong winds and storms.
- Heat: investigating the risks of extreme hot spells and their influence on operating activities.
- Dry: assessment of the impacts of droughts on water supply and agricultural production.
- Cold: analysing the risks of extreme cold and its influence on infrastructure.
- Extreme precipitation: investigating the impacts of intense rainfall and its potential damage.

The greatest climatic dangers for the Sto Group's selected locations in the current climate are heatwaves, river flooding, heavy rainfall, and flash floods. Exposure to extreme heat in particular is a widespread issue. The risk figures for wind and cyclones, coastal flooding, cold, and dry weather, on the other hand, are in the low to very low range. Even in future scenarios, heatwaves, river flooding, heavy rainfall, and flash floods will remain the dominant climatic dangers for Sto locations. In a scenario involving 3.3 °C to 5.7 °C warming, the risk of heatwaves, heavy rainfall, and flash floods rises, while the risk of river flooding remains stable. The risk level associated with each analysed danger and the 'Peak and Decline' (SSP1-2.6) and 'Rising' (SSP5-8.5) scenarios in the selected locations ranges from very low to high in the current and future climate. In this respect, the assessment of the vulnerability of the locations is based on climate scenarios with high emissions.

Within this analysis, the scope encompassed Sto's locations and risks. A specific analysis of the upstream value chain, opportunities, and transition risks was not carried out as part of the physical climate risk analysis. However, the findings from the climate risk analysis were used to draw conclusions for the upstream value chain at Sto's own locations. In the downstream value chain, potential risks relating to the storage and application of Sto products were analysed.

Sto has also defined short- and medium-term time horizons. Short-term time horizons refer to the period of one financial year (= calendar year), while medium-term time horizons refer to a period of up to five years. The definitions are related to the disclosure rules, strategic planning horizons, and capital allocation plans within the corporate and sustainability strategy. The corporate and sustainability strategy applicable in the year under review was defined for the period 2020–2025. The definition of long-term time horizons (more than five years) relates to the expected life of assets and Sto's product portfolio.

Sto also assessed the company's actual and potential impacts on climate change (i.e. its total greenhouse gas emissions) with the help of external service providers

and greenhouse gas emission factor databases. The assessment primarily took into account the extent to which directives, actions, and targets address and cover the corresponding impacts, risks, and opportunities. It divided the magnitude into the categories of minor, medium, and major, and the degree of coverage into the categories of none, partial, dominant, and extensive.

The climate risks for the Sto Group determined by the physical climate risk analysis were identified over the short, medium, and long term. The magnitude of Sto assets' vulnerability to flooding and heavy rainfall is categorised as medium. This was determined by evaluating the climate risk analysis. Furthermore, business activities at Sto locations may experience a greater magnitude of vulnerability to heatwaves. This was also identified by evaluating the climate risk analysis.

Where gross physical risks are concerned, the magnitude of assets' vulnerability to climate-related dangers is categorised as medium. This was determined by evaluating the climate risk analysis in combination with the risk inventory. The building and installation assets are particularly vulnerable to climate-related dangers. In order to assess the magnitude of the individual assets' vulnerability to climate-related dangers, the likelihood of each location being affected by a medium or higher climate risk was determined, as was the climate risk involved in each case and how the financial loss would be estimated – for example, if the assets at the affected location were to suffer significant damage in the event of a flood.

Where gross physical risks are concerned, the magnitude of Sto business activities' vulnerability to climate-related dangers is also categorised as medium. This was determined by evaluating the climate risk analysis in combination with risk management. The business activities involving production, distribution, and application of Sto products are particularly vulnerable to climate-related dangers. In order to assess the magnitude of the vulnerability to climate-related dangers, the likelihood of each location being affected by a medium or higher climate risk was determined, as was the climate risk involved in each case and how the financial loss would be estimated – for example, if operations at the affected location were to come to a standstill in the event of a flood. In addition, the climate risk analysis and publicly available climate data were used to estimate the extent to which the company's own business activities could be affected by a disruption to the supply chain or downstream value creation as a result of extreme weather events.

The climate-related transition risks and opportunities in Sto's upstream and downstream value chain were identified through an internal analysis and evaluated together with an external service provider. In this context, the climate-related transition events that impact Sto's own business activities and the upstream and downstream value chain were determined using publicly available data, taking into account at least one climate scenario with global warming limited to 1.5 °C with no or limited overshoot.

Sto has primarily identified medium-term transition events by analysing foreseeable or expected regulatory, social, technical, and economic changes. This included a review of whether Sto's assets and business activities could be exposed to these events. This was determined by an internal analysis. This evaluation process includes an estimate of whether the regulatory, social, technical, and economic changes under consideration could occur, the extent to which Sto's assets and business activities are exposed to these climate-related transition events, and the reasons for which gross transition risks or opportunities arise. The magnitude of the exposure of Sto's assets and business activities to climate-related transition events was only roughly determined in the process.

To determine transition events and assess exposure, Sto has used climate-related scenario analyses, taking into account at least one scenario that is in line with the Paris Agreement and limits global warming to 1.5 °C. This was determined using publicly available data.

No assets and business activities have been identified that are not compatible with the transition to a climate-neutral economy or that require significant efforts to be compatible with the transition to a climate-neutral economy. This was determined by an internal estimate. In the context of the identified transition events, the buildings and installation assets are moderately vulnerable to rising construction and production costs, increased raw material costs, and costs associated with the transition to low-emission technologies. In the context of the identified transition events, the business activities involving the sale and application of Sto products are moderately vulnerable to growing regulatory requirements, increased raw material costs, changes in consumer behaviour, and uncertainties with regard to market signals. This was determined by an internal evaluation.

Where the resilience analysis is concerned, there are uncertainties in some of the assumptions regarding transition risks. At the same time, there are major overlaps with risk management and strategy development, which already take into account trends and risks, for example. In this respect, the business activities and assets exposed to risk have already been taken into account in the process of defining Sto's strategy. When investment decisions are made, risky business activities and assets are taken into account at least indirectly and to some extent during ongoing climate protection

20250904057749

measures. The planned climate protection measures also take into account some risky business activities and assets. Existing climate protection measures and resources were taken into account as part of the resilience analysis. The policies, actions, and targets are described in more detail in Chapter 2 (ESRS E1).

Overall, Sto has the ability to adapt its business model to climate change in the short, medium, and long term thanks to its broad-based product portfolio, capacity for innovation, international presence, and flexible structures. The company can also adapt its strategy to climate change in the short and medium term by shifting its targets and initiatives.

Sto used the climate-related scenario analysis, including a series of climate scenarios, to determine and assess short- and medium-term physical risks and opportunities as described above. The information in this analysis was used as a basis for drawing conclusions.

Mathematical climate models and additional publicly available information and data were drawn upon when looking at the scenarios used to identify and assess the short-, medium-, and long-term physical risks and opportunities.

The scenarios and climate models used to determine and assess physical risks and opportunities in the short, medium-, and long-term have been adapted in line with current scientific knowledge. They reflect the state of knowledge that is generally publicly available in the area of changes within political, social, socio-economic, and technical fields. The classifications defined by the Task Force on Climate-Related Financial Disclosures (TCFD) were used for climate-related transition events. These scenarios were used to analyse both physical and transition risks and opportunities over different time periods. In order to identify and assess transition risks and opportunities in the short, medium, and long term, the time horizons were categorised into short-term (up to one year), medium-term (between one and five years), and long-term (over five years) horizons. The end points chosen were 2025, 2030, 2040, and 2050. Sto is of the opinion that the range of scenarios and assumptions used as a basis for identifying and assessing the short-, medium-, and long-term transition risks and opportunities covers plausible risks and uncertainties.

Climate change, political and regulatory assumptions, macroeconomic and social trends, consumer behaviour, energy consumption and the energy mix, as well as assumptions about technological developments, were identified as the most important drivers that were taken into account in the scenarios and assumptions in order to identify and assess the short-, medium-, and long-term physical risks and opportunities (see above). They are particularly relevant for Sto because they can have a major influence on the company's economic activities and profitability.

The scenarios include a high level of detail and were carried out at the level of specific geocoordinates. In addition, important limitations of the scenarios, such as inaccuracies in the calculation models, were taken into account in order to ensure an accurate assessment of physical risks and opportunities over different time periods.

When it came to identifying and assessing the short-, medium-, and long-term transition risks and opportunities, there was no detailed fundamental data available – apart from the TCFD classifications – for drawing upon or carrying out scenarios with a level of accuracy that was similar to the level that existed for the physical risks and opportunities. The level of detail is therefore relatively low. Another important limitation of the scenarios is the high level of uncertainty in the underlying assumptions.

**ESRS E5**

**Process**

In the context of the materiality assessment, the assumptions and methods described above were used to determine the actual and potential impacts, risks, and opportunities relating to Sto's own activities and within the upstream and downstream value chain, as well as their materiality. As part of the materiality assessment, Sto reviewed the business activities and assets for actual and potential impacts, risks, and opportunities with regard to resource inflows, resource outflows, and waste. To ensure a holistic scope, the assessment framework included both the company's own activities and the upstream and downstream value chain. During the evaluation, these aspects were jointly assessed by experts in the areas of procurement, sustainability, and research and development using the methodology described above. Consultations with affected communities were not included in the assessment. In the areas of impacts, risks, and opportunities relating to the circular economy in particular, actions are implemented across the company and, therefore, across the various departments. Work on products and services is done with a view to this in the areas of research and development, product management, materials management and logistics, marketing, sales, and sustainability in particular.

**Resilience**

**ESRS E5**

Sto is largely able to manage the material impacts and risks relating to the circular economy in the short, medium, and long term. The circular economy is a central component of Sto's sustainability strategy and is taken

into account in the strategy and planning processes. In addition, operational directives, actions, and targets promote resilience. To fully cover the negative impacts on the circular economy, Sto is doing ongoing work in the area of returning and recovering packaging material, unused products, and dismantled material, as well as the use of recyclates.

**ESRS S1**
Sto's resilience with regard to material social impacts is improved by the large number of policies and actions it develops and executes in the area of human resources, with a focus on the sustainability matter of 'Well-being, safety (including occupational safety), and pay of our own employees'. For the most part, the Group is able to address its impacts, risks, and opportunities on its own workforce over short-, medium-, and long-term time horizons and minimise negative effects.

**ESRS S2**
Sto is largely able to manage impacts on workers in the value chain. The risk assessment system is a key instrument in this, together with the target concerning recognition of the Supplier Code of Conduct. Durability exists over a short-, medium-, or long-term time horizon.

**ESRS S3**
Sto is partially able to address the material impacts on affected communities, in particular through the reporting system and the training measures for compliance with the Act on Corporate Due Diligence Obligations in Supply Chains.

**ESRS S4**
Furthermore, Sto is largely capable of countering the material impacts on consumers and end-users in the short, medium, or long term. To ensure this, Sto has policies and actions related to information-related impacts for consumers and end-users in place. In particular, data protection protects personal data from misuse and promotes the personal safety of consumers and end-users through product labelling and product information.

**ESRS G1**
In addition, Sto is largely able to address the material impacts in the area of corporate governance over short, medium-, and long-term time horizons. This is managed in particular through directives, actions, and targets such as the Code of Conduct, the reporting system, and the target of 100 % recognition/signature of the Supplier Code of Conduct, as well as the risk assessment of all relevant suppliers.

**Non-material topics**
Sto has reviewed its locations and business activities in order to determine the actual and potential impacts, risks, and opportunities associated with pollution in the context of its own activities and within its upstream and downstream value chain. In the course of this, ESRS E2 was identified as a non-material standard. The methodology, assumptions, and instruments of the review have already been described in this chapter.

Sto also reviewed its assets and business activities in order to determine the actual and potential impacts, opportunities, and risks associated with water and marine resources in the context of its own activities and within the upstream and downstream value chain. As a result, ESRS E3 was identified as a non-material standard. The method, assumptions, and instruments of the review have already been explained.

Sto also determined and assessed the actual and potential impacts on biodiversity and ecosystems at its own locations and within the upstream and downstream value chain. Using the WWF Biodiversity Risk Filter, 56 sites were analysed with respect to their location and various biodiversity parameters, in the same way as the physical climate risk analysis. The results of the analyses show that surrounding biodiversity sensitive areas are not negatively affected by the activities at the sites being investigated, and that these activities do not lead to a deterioration of natural habitats or the habitats of species, or to disruption of the species for which the protected area has been designated. Based on this, Sto has concluded that no biodiversity remedies need to be carried out.

Dependencies, transition risks, and physical and systemic risks and opportunities with regard to biodiversity and ecosystems and their services were not taken into account. Based on the analysis and assessment, ESRS E4 was identified as a non-material standard. The methodology, assumptions, and instruments involved in the review have already been presented.

No consultations were conducted with affected communities during the materiality assessment, including in relation to sustainability assessments of shared biological resources and ecosystems.

**IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement**
The relevant information disclosed in connection with the material impacts, risks, and opportunities was identified on the basis of several criteria. An important indicator for determining the material information was the location of the material impacts, risks, and opportunities in the value chain. The reporting requirements were defined as material if the material impacts, risks, and opportunities covered the same area as required by the Disclosure Requirement. In addition, only reporting requirements with material impacts, risks, and opportunities in their sub-topics were recognised.

20250904057S0

## ESRS Disclosure Requirements

| | | Reference in the sustainability statement |
|---|---|---|
| **ESRS 2** | | **Chapter ESRS 2** |
| BP-1 | General basis for preparation of sustainability statements | Chapter BP-1 |
| BP-2 | Disclosures in relation to specific circumstances | Chapter BP-2 |
| GOV-1 | The role of the administrative, management and supervisory bodies | Chapter GOV-1 |
| GOV-2 | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | Chapter GOV-2 |
| GOV-3 | Integration of sustainability-related performance in incentive schemes | Chapter GOV-3 |
| GOV-4 | Statement on due diligence | Chapter GOV-4 |
| GOV-5 | Risk management and internal controls over sustainability reporting | Chapter GOV-5 |
| SBM-1 | Strategy, business model and value chain | Chapter SBM-1 |
| SBM-2 | Interests and views of stakeholders | Chapter SBM-2 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | Chapter SBM-3 |
| IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | Chapter IRO-1 |
| IRO-2 | Disclosure requirements in ESRS covered by the undertaking's sustainability statement | Chapter IRO-2 |
| **ESRS E1** | | **Chapter ESRS E1** |
| GOV-3 | Integration of sustainability-related performance in incentive schemes | Chapter GOV-3 |
| E1-1 | Transition plan for climate change mitigation | Chapter E1-1 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | Chapter SBM-3 |
| IRO-1 | Description of the processes to identify and assess material climate-related impacts, risks and opportunities | Chapter IRO-1 |
| E1-2 | Policies related to climate change mitigation and adaptation | Chapter E1-2 |
| E1-3 | Actions and resources in relation to climate change policies | Chapter E1-3 |
| E1-4 | Targets related to climate change mitigation and adaptation | Chapter E1-4 |
| E1-5 | Energy consumption and mix | Chapter E1-5 |
| E1-6 | Gross Scopes 1, 2, 3 and Total GHG emissions | Chapter E1-6 |
| E1-7 | GHG removals and GHG mitigation projects financed through carbon credits | Chapter E1-7 |
| **ESRS E5** | | **Chapter ESRS E5** |
| IRO-1 | Material impacts, risks and opportunities and their interaction with strategy and business model | Chapter IRO-1 |
| E5-1 | Policies related to resource use and circular economy | Chapter E5-1 |
| E5-2 | Actions and resources related to resource use and circular economy | Chapter E5-2 |
| E5-3 | Targets related to resource use and circular economy | Chapter E5-3 |
| E5-4 | Resource inflows | Chapter E5-4 |
| **ESRS S1** | | **Chapter ESRS S1** |
| SBM-2 | Interests and views of stakeholders | Chapter SBM-2 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | Chapter SBM-3 |
| S1-1 | Policies related to own workforce | Chapter S1-1 |
| S1-2 | Processes for engaging with own workforce and workers' representatives about impacts | Chapter S1-2 |
| S1-3 | Processes to remediate negative impacts and channels for own workforce to raise concerns | Chapter S1-3 |
| S1-4 | Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | Chapter S1-4 |
| S1-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Chapter S1-5 |
| **Methodologies and assumptions** | | **Methodologies and assumptions** |
| S1-6 | Characteristics of the undertaking's employees | Chapter S1-6 |
| S1-8 | Collective bargaining coverage and social dialogue | Chapter S1-8 |
| S1-9 | Diversity metrics | Chapter S1-9 |
| S1-10 | Adequate wage | Chapter S1-10 |
| S1-14 | Health and safety metrics | Chapter S1-14 |
| S1-16 | Compensation metrics (pay gap and total compensation) | Chapter S1-16 |
| S1-17 | Incidents, complaints and severe human rights impacts | Chapter S1-17 |
| **ESRS S2** | | **Chapter ESRS S2** |
| SBM-2 | Interests and views of stakeholders | Chapter SBM-2 |

**ESRS 2 General information**

| | | Reference in the sustainability statement |
|---|---|---|
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | Chapter SBM-3 |
| S2-1 | Policies related to value chain workers | Chapter S2-1 |
| S2-2 | Processes for engaging with value chain workers about impacts | Chapter S2-2 |
| S2-3 | Processes to remediate negative impacts and channels for value chain workers to raise concerns | Chapter S2-3 |
| S2-4 | Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions | Chapter S2-4 |
| S2-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Chapter S2-5 |
| **ESRS S3** | | **Chapter ESRS S3** |
| SBM-2 | Interests and views of stakeholders | Chapter SBM-2 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | Chapter SBM-3 |
| S3-1 | Policies related to affected communities | Chapter S3-1 |
| S3-2 | Processes for engaging with affected communities about impacts | Chapter S3-2 |
| S3-3 | Processes to remediate negative impacts and channels for affected communities to raise concerns | Chapter S3-3 |
| S3-4 | Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions | Chapter S3-4 |
| S3-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Chapter S3-5 |
| **ESRS S4** | | **Chapter ESRS S4** |
| SBM-2 | Interests and views of stakeholders | Chapter SBM-2 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | Chapter SBM-3 |
| S4-1 | Policies related to consumers and end-users | Chapter S4-1 |
| S4-2 | Processes for engaging with consumers and end-users about impacts | Chapter S4-2 |
| S4-3 | Channels for consumers and end-users to raise concerns | Chapter S4-3 |
| S4-4 | Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions | Chapter S4-4 |
| S4-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Chapter S4-5 |
| **ESRS G1** | | **Chapter ESRS G1** |
| GOV-1 | The role of the administrative, management and supervisory bodies | Chapter GOV-1 |
| IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | Chapter IRO-1 |
| G1-1 | Corporate culture and business conduct policies | Chapter G1-1 |
| G1-2 | Management of relationships with suppliers | Chapter G1-2 |
| G1-3 | Prevention and detection of corruption and bribery | Chapter G1-3 |
| G1-4 | Incidents of corruption or bribery | Chapter G1-4 |

20250904057S1

| Disclosure requirement and related data arising from other EU legislation | Reference to other EU legislation | Reference in the sustainability statement | Materiality assessment ('material'/'not material') |
|---|---|---|---|
| **ESRS 2 GOV-1 sec. 21 (d)**<br>Gender diversity in the management and supervisory bodies | SFDR:<br>Indicator number 13 Table #1 of Annex 1<br>Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II | Chapter GOV-1 | material |
| **ESRS 2 GOV-1 sec. 21 (e)**<br>Percentage of members of the management body who are independent | Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II | Chapter GOV-1 | material |
| **ESRS 2 GOV-4 sec. 30**<br>Statement on due diligence | SFDR:<br>Indicator number 10 Table #3 of Annex 1 | Chapter GOV-4 | material |
| **ESRS 2 SBM-1 sec. 40(d) i.**<br>Involvement in activities related to fossil fuel activities | SFDR:<br>Indicator number 4 Table #1 of Annex 1<br>Pillar 3: Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on Environmental risk, and Table 2: Qualitative information on Social risk<br>Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II | | not material |
| **ESRS 2 SBM-1 sec. 40(d) ii.**<br>Involvement in activities related to chemical production | SFDR:<br>Indicator number 9 Table #2 of Annex 1<br>Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II | | not material |
| **ESRS 2 SBM-1 sec. 40(d) iii.**<br>Involvement in activities related to controversial weapons | SFDR:<br>Indicator number 14 Table #1 of Annex 1<br>Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | | not material |
| **ESRS 2 SBM-1 sec. 40(d) iv.**<br>Involvement in activities related to cultivation and production of tobacco | Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | | not material |
| **ESRS E1-1 sec. 14**<br>Transition plan to reach climate neutrality by 2050 | EU Climate Law: Regulation (EU) 2021/1119, Article 2(1) | | not material |
| **ESRS E1-1 sec. 16 (g)**<br>Undertakings excluded from Paris-aligned Benchmarks | Pillar 3: Article 449a<br>Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity<br>Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g) and Article 12(2) | | not material |
| **ESRS E1-4 GHG sec. 34**<br>GHG emission reduction targets | SFDR:<br>Indicator number 4 Table #2 of Annex 1<br>Pillar 3: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics<br>Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 6 | Chapter E1-4 | material |
| **ESRS E1-5 sec. 38**<br>Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) | SFDR:<br>Indicator number 5 Table #1 of Annex 1 Indicator number 5 Table #2 of Annex 1 | Chapter E1-5 | material |
| **ESRS E1-5 sec. 37**<br>Energy consumption and mix | SFDR:<br>Indicator number 5 Table #1 of Annex 1 | Chapter E1-5 | material |
| **ESRS E1-5 sec. 40-43**<br>Energy intensity associated with activities in high climate impact sectors | SFDR:<br>Indicator number 6 Table #1 of Annex 1 | Chapter E1-5 | material |
| **ESRS E1-6 sec. 44**<br>Gross Scopes 1, 2, 3 and Total GHG emissions | SFDR:<br>Indicators number 1 and 2 Table #1 of Annex 1<br>Pillar 3: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity<br>Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1) | Chapter E1-6 | material |

**ESRS 2 General information**

| Disclosure requirement and related data arising from other EU legislation | Reference to other EU legislation | Reference in the sustainability statement | Materiality assessment ('material'/'not material') |
|---|---|---|---|
| **ESRS E1-6 sec. 53-55**<br>Gross GHG emissions intensity | SFDR:<br>Indicator number 3 Table 1 in Notes 1<br>Pillar 3: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics<br>Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 8(1) | Chapter E1-6 | material |
| **ESRS E1-7 sec. 56**<br>GHG removals and carbon credits | EU Climate Law: Regulation (EU) 2021/1119, Article 2(1) | Chapter E1-7 | partly material<br>sec. 56 (a) not material<br>sec. 56 (b) material |
| **ESRS E1-9 sec. 66**<br>Exposure of the benchmark portfolio to climate-related physical risks | Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II | | not material |
| **ESRS E1-9 sec. 66 (a)**<br>Disaggregation of monetary amounts by acute and chronic physical risk<br>**ESRS E1-9 sec. 66 (c)**<br>Location of significant assets at material physical risk | Pillar 3: Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, sections 46 and 47; Template 5: Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk. | | not material |
| **ESRS E1-9 sec. 67 (c)**<br>Breakdown of the carrying value of its real estate assets by energy-efficiency classes | Pillar 3: Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Indicators of potential climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral | | not material |
| **ESRS E1-9 sec. 69**<br>Degree of exposure of the portfolio to climate-related opportunities | Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1818, Annex II | | not material |
| **ESRS E2-4 sec. 28**<br>Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil | SFDR:<br>Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1 | | not material |
| **ESRS E3-1 sec. 9**<br>Water and marine resources | SFDR:<br>Indicator number 7 Table #2 of Annex 1 | | not material |
| **ESRS E3-1 sec. 13**<br>Dedicated policy | SFDR:<br>Indicator number 8 Table #2 of Annex 1 | | not material |
| **ESRS E3-1 sec. 14**<br>Sustainable oceans and seas | SFDR:<br>Indicator number 12 Table #2 of Annex 1 | | not material |
| **ESRS E3-4 sec. 28 (c)**<br>Total water recycled and reused | SFDR:<br>Indicator number 6,2 Table #2 of Annex 1 | | not material |
| **ESRS E3-4 sec. 29**<br>Total water consumption in m³ per net revenue on own operations | SFDR:<br>Indicator number 6,1 Table #2 of Annex 1 | | not material |
| **ESRS 2- SBM3 – E4 sec 16(a) i.** | SFDR:<br>Indicator number 7 Table #1 of Annex 1 | | not material |
| **ESRS 2- SBM3 – E4 sec. 16(b)** | SFDR:<br>Indicator number 10 Table #2 of Annex 1 | | not material |
| **ESRS 2- SBM3 – E4 sec. 16(c)** | SFDR:<br>Indicator number 14 Table #2 of Annex 1 | | not material |
| **ESRS E4-2 sec. 24 (b)**<br>Sustainable land / agriculture practices or policies | SFDR:<br>Indicator number 11 Table #2 of Annex 1 | | not material |
| **ESRS E4-2 sec. 24 (c)** Sustainable oceans / seas practices or policies | SFDR:<br>Indicator number 12 Table #2 of Annex 1 | | not material |
| **ESRS E4-2 sec. 24 (d)**<br>Policies to address deforestation | SFDR:<br>Indicator number 15 Table #2 of Annex 1 | | not material |
| **ESRS E5-5 sec. 37 (d)**<br>Non-recycled waste | SFDR:<br>Indicator number 13 Table #2 of Annex 1 | | not material |
| **ESRS E5-5 sec. 39**<br>Hazardous waste and radioactive waste | SFDR:<br>Indicator number 9 Table #1 of Annex 1 | | not material |

20250904057S2

| Disclosure requirement and related data arising from other EU legislation | Reference to other EU legislation | Reference in the sustainability statement | Materiality assessment ('material'/'not material') |
|---|---|---|---|
| **ESRS 2- SBM3 – S1 sec. 14(f)** Risk of incidents of forced labour | SFDR: Indicator number 13 Table #3 of Annex 1 | Chapter SBM-3 | material |
| **ESRS 2- SBM3 – S1 sec. 14(g)** Risk of incidents of child labour | SFDR: Indicator number 12 Table #3 of Annex 1 | Chapter SBM-3 | material |
| **ESRS S1-1 sec. 20** Human rights policy commitments | SFDR: Indicator number 9 Table #3 of Annex 1 Indicator number 11 in Annex I Table 1 | Chapter S1-1 | material |
| **ESRS S1-1 sec. 21** Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 | Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II | Chapter S1-1 | material |
| **ESRS S1-1 sec. 22** Processes and measures for preventing trafficking in human beings | SFDR: Indicator number 11 Table #3 of Annex 1 | Chapter S1-1 | material |
| **ESRS S1-1 sec. 23** Workplace accident prevention policy or management system | SFDR: Indicator number 1 Table #3 of Annex 1 | Chapter S1-1 | material |
| **ESRS S1-3 sec. 32 (c)** Grievance/complaints handling mechanisms | SFDR: Indicator number 5 Table #3 of Annex 1 | Chapter S1-3 | material |
| **ESRS S1-14 sec. 88 (b) and (c)** Number of fatalities and number and rate of work-related accidents | SFDR: Indicator number 2 Table #3 of Annex 1 Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II | Chapter S1-14 | material |
| **ESRS S1-14 sec. 88 (e)** Number of days lost to injuries, accidents, fatalities or illness | SFDR: Indicator number 3 Table #3 of Annex 1 | | not material |
| **ESRS S1-16 sec. 97 (a)** Unadjusted gender pay gap | SFDR: Indicator number 12 Table #1 of Annex 1 Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II | Chapter S1-16 | material |
| **ESRS S1-16 sec. 97 (b)** Excessive CEO pay ratio | SFDR: Indicator number 8 Table #3 of Annex 1 | Chapter S1-16 | material |
| **ESRS S1-17 sec. 103 (a)** Incidents of discrimination | SFDR: Indicator number 7 Table #3 of Annex 1 | Chapter S1-17 | material |
| **ESRS S1-17 sec. 104 (a)** Non-respect of UNGPs on Business and Human Rights and OECD | SFDR: Indicator number 10 in Annex I Table 1 Indicator number 14 Table #3 of Annex 1 Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1) | Chapter S1-17 | material |
| **ESRS 2- SBM3 – S2 sec. 11 (b)** Significant risk of child labour or forced labour in the value chain | SFDR: Indicators number 12 and 13 Table #3 of Annex 1 | | not material |
| **ESRS S2-1 sec. 17** Human rights policy commitments | SFDR: Indicator number 9 Table #3 of Annex 1 Indicator number 11 Table #1 of Annex 1 | Chapter S2-1 | material |
| **ESRS S2-1 sec. 18** Policies related to value chain workers | SFDR: Indicators number 11 and 4 Table #1 of Annex 3 | Chapter S2-1 | material |
| **ESRS S2-1 sec. 19** Non-respect of UNGPs on Business and Human Rights and OECD | SFDR: Indicator number 10 Table #1 of Annex 1 Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1) | Chapter S2-1 | material |
| **ESRS S2-1 sec. 19** Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 | Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II | Chapter S2-1 | material |
| **ESRS S2-4 sec. 36** Human rights issues and incidents connected to its upstream and downstream value chain | SFDR: Indicator number 14 Table #3 of Annex 1 | Chapter S2-4 | material |

| **Disclosure requirement and related data arising from other EU legislation** | **Reference to other EU legislation** | **Reference in the sustainability statement** | **Materiality assessment ('material'/'not material')** |
|---|---|---|---|
| **ESRS S3-1 sec. 16**<br>Human rights policy commitments | *SFDR:*<br>Indicator number 9 Table #3 of Annex 1 Indicator number 11 Table #1 of Annex 1 | Chapter S3-1 | material |
| **ESRS S3-1 sec. 17**<br>*Non-respect of UNGPs on Business and* Human Rights and OECD | SFDR:<br>*Indicator number 10 Table #1 of Annex 1*<br>Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation *(EU) 2020/1818 Article 12 (1)* | Chapter S3-1 | material |
| **ESRS S3-4 sec. 36**<br>*Human rights issues and incidents* | SFDR:<br>*Indicator number 14 Table #3 of Annex 1* | Chapter S3-4 | material |
| **ESRS S4-1 sec. 16**<br>*Policies related to consumers and end-users* | SFDR:<br>Indicator number 9 Table #3 of Annex 1 Indicator number 11 Table #1 of Annex 1 | Chapter S4-1 | material |
| **ESRS S4-1 sec. 17**<br>Non-respect of UNGPs on Business and *Human Rights and OECD* | SFDR:<br>Indicator number 10 Table #1 of Annex 1<br>Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1) | Chapter S4-1 | material |
| **ESRS S4-4 sec. 35**<br>Human rights issues and incidents | SFDR:<br>Indicator number 14 Table #3 of Annex 1 | Chapter S4-4 | material |
| **ESRS G1-1 sec. 10 (b)**<br>United Nations Convention against Corruption | SFDR:<br>Indicator number 15 Table #3 of Annex 1 | | not material |
| **ESRS G1-1 sec. 10 (d)**<br>Protection of whistle-blowers whistle- blowers | SFDR:<br>Indicator number 6 Table #3 of Annex 1 | | not material |
| **ESRS G1-4 sec. 24 (a)**<br>Fines for violation of anti-corruption and anti-bribery laws | SFDR:<br>Indicator number 17 Table #3 of Annex 1<br>Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II | Chapter G1-4 | material |
| **ESRS G1-4 sec. 24 (b)**<br>Standards of anti- corruption and anti- bribery | SFDR:<br>Indicator number 16 Table #3 of Annex 1 | Chapter G1-4 | material |

# ESRS E1 Climate change

## 2.1. Governance

**GOV-3 Integration of sustainability-related performance in incentive schemes**
The information on this can be found in Chapter 1 (ESRS 2) Chapter GOV-3 'Integration of sustainability-related performance in incentive schemes'.

## 2.2. Strategy

**E1-1 Transition plan for climate change mitigation**
The Sto Group has not currently implemented a holistic transition plan to achieve climate neutrality by 2050. Nevertheless, climate change mitigation is a central aspect of the sustainability strategy. As an international company, Sto is aware of its responsibility and is actively committed to protecting the planet. A comprehensive transition plan is to be developed and implemented in 2025, which will help Sto to achieve its climate targets systematically and efficiently. Despite the current lack of a transition plan, Sto has already defined a number of packages of measures as part of the sustainability strategy implemented in 2021. They aim to significantly reduce emissions. One of the non-current targets is to achieve climate-neutral production globally by 2040. Sto is determined to make a contribution to climate change mitigation and shape a sustainable future through continuous improvements and innovative approaches. Detailed contents on the actions and targets can be found in Chapters E1-3 'Actions and resources in relation to climate change policies' and E1-4 'Targets related to climate change mitigation and adaptation'.

**SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**
In order to assess the material impacts, risks and opportunities and their interaction with the policy and business model in the area of 'Climate change', Sto has analysed the interactions with the sustainability matters. The 'Climate change' area comprises the following three sub-topics: 'Climate change adaptation', 'Climate change mitigation', and 'Energy'.

A detailed explanation of the approach and methodology can be found in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other report disclosures that require reference to the material impacts, risks and opportunities are presented at the level of sustainability matters.

**Climate change adaptation**
The following actual positive impact was identified in connection with the sustainability matter 'Climate change adaptation':

- 'The company's products and services help society deal with the consequences of climate change'.

It results from Sto's product portfolio. Insulation in particular has a major influence.

Due to the increasing probability of extreme weather scenarios, the following risk was identified as material:

- 'Financial risks due to physical climate risks with regard to own permanent establishments'.

The increased demand for Sto's product portfolio results in material opportunities:

- 'Increased sales and opening up of new business fields via a product portfolio that protects buildings and is thus adapted to climate change'.

The listed impacts, risks and opportunities of the sustainability matter 'Climate change adaptation' result from the business model and product portfolio within Sto's own business activities and with Sto's customers. Due to their economic attractiveness and technological advances, products that have a positive impact on climate change adaptation are highly relevant for Sto and are an integral part of the product strategy. Within Sto's sustainability strategy, these are located in the area of climate change mitigation. Sto's products make a positive contribution in terms of material impact. People are thus better protected against heat and various extreme weather scenarios. It is expected that the frequency of such scenarios and the demand for such products will rise in the future.

**Climate change mitigation**
The following actual material positive impact was identified for the 'Climate change mitigation' sustainability matter:

- 'Sto's products support the reduction of greenhouse gas emissions in society as a whole'.

External wall insulation systems in particular reduce emissions through savings in energy.

20250904057S4

Another actual positive impact is:

- 'Sto contributes to the reduction of Scope 3 GHG emissions by cooperating in projects with the upstream value chain'.

In addition, the potential positive impact

- 'Sto potentially contributes to the reduction of greenhouse gas emissions in the supply chain'

was identified. This is done by defining purchasing criteria when selecting suppliers that take into account aspects such as emissions.

In addition, the following actual negative impact was identified:

- 'Sto still has Scope 1 and Scope 2 emissions that contribute to climate change'.

Another actual negative impact is:

- 'Sto still has Scope 3 emissions that contribute to climate change'.

In addition, this actual negative impact was identified:

- 'There are emission-intensive value-added steps in Sto's supply chain (e.g. chemicals, cement, brick)'.

This actual negative impact was also identified:

- 'Sto products are partly distributed by lorry transport, which is emission-intensive; a vehicle fleet is available for the sales force'.

One material risk identified as part of the materiality assessment is as follows:

- 'Increased costs with a view to rising $CO_2$ prices due to stricter regulations and the resulting actions to reduce greenhouse gas emissions'.

In addition, this material opportunity was identified:

- 'Increased demand for products due to stricter climate change mitigation'.

This is the result of increased demand for Sto's product portfolio.

The impacts, risks and opportunities listed in this context result from the business model and product portfolio, both within the company's own business activities, with customers, and in the upstream value chain. Sto is aware that its business activities, including its energy-intensive supply chains, can have negative impacts on climate change. To counteract this, various actions were taken in the year under review, which are described in detail in Chapter E1-3 'Actions and resources in relation to climate change policies'. Due to their economic attractiveness and technological advances, products that have a positive impact on climate change mitigation are highly relevant for Sto and are an integral part of the product strategy. These actions are located within the sustainability strategy in the area of climate change mitigation. In terms of material impacts, Sto's products make a positive contribution by helping customers to reduce their emissions through energy efficiency.

**Energy**
The following actual positive impact was identified for the 'Energy' sustainability matter:

- 'Sto places a high value on energy efficiency and the use of renewable energies'.

This positive impact is the result of energy management and the certification of sites in accordance with ISO 50001 as well as the high use of renewable energy sources.

An actual negative impacts is:

- 'Low energy efficiency in certain companies without energy management'.

To counteract this, Sto plans to implement an energy management system for all production sites. More details can be found in Chapter E1-4 'Targets related to climate change mitigation and adaptation'.

Another actual negative impact is:

- 'High use of fossil energy sources for energy generation and by the vehicle fleet'.

The fleet of vehicles and energy production in the company's own business activities result in a high use of fossil energy sources in the course of operating activities.

Another actual negative impact was also identified:

- 'There are energy-intensive value chain steps in Sto's supply chain'.

Chemicals, cement and mineral wool in particular are products of energy-intensive manufacturing processes. These are central to the manufacturing of the product portfolio due to the lack of substitutability.

The following material risk was identified as part of the materiality assessment:

- 'Increased costs due to stricter regulations and/or taxation regarding the use of fossil fuels'.

  This is a financial risk that can lead to significantly higher costs due to legislation and stricter regulation.

  The impacts and risks listed in this context result from the business model and product portfolio within Sto's own business activities, with customers, and in the upstream value chain. Thanks to the positive impact, Sto makes a significant contribution to reducing customers' energy consumption and thus GHG emissions. The negative impacts affect people and the environment, as the use of fossil energy sources and the vehicle fleet with combustion engines are associated with high GHG emissions. The impacts result from the direct sourcing of fossil energy sources. Some of these are without substitution options. There is a direct link to the business model, as climate change mitigation and environmental protection are strategic issues. The use of renewable energy is also anchored in the corporate strategy.

  The risks identified in the materiality assessment are transitory risks that arise for Sto due to the impacts of climate change on the economy.

  Sto has implemented various policies, actions and targets to address the management of impacts, risks, and opportunities. In the following Chapters, this description takes place at the level of sustainability matters.

  Sto's resilience analysis was described in Chapter 1 in (ESRS 2) Chapter IRO-1 'Description of the processes to identify and assess material pollution-related impacts, risks and opportunities'.

## 2.3. Management of impacts, opportunities and risks

### IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

These disclosures are reported in Chapter 1 (ESRS 2).

### E1-2 Policies related to climate change mitigation and adaptation

**Policies related to climate change adaptation:**
The Sto Group does not currently apply any policies in connection with the sustainability matter 'Climate change adaptation'. No specific policies are currently implemented in this area, as immediate, current risks and mitigation measures are recorded via the existing risk management system. Medium- to long-term risks and actions are part of the sustainability strategy in general terms. In addition to drawing up a transition plan in 2025, Sto intends to develop and implement a corresponding climate change adaptation policy based on the analysis of physical climate risks within a period of two years.

**Policies related to climate change mitigation:**
Sto applies the policies of the 'Climate change mitigation' sustainability strategy, 'Energy efficiency in procurement (life cycle)' and 'Principles of the integrated management system' to manage the material impacts, risks and opportunities associated with the sustainability aspect of 'Climate change mitigation'. These relate to the company's own operational activities and the upstream value chain.

One policy that addresses the impacts, risks and opportunities in the area of 'Climate change mitigation' is 'Energy efficiency in procurement (life cycle)'. If employees identify a need for products or services, the requisitioner must check the energy relevance together with the energy manager or the energy management officer. Products or services are considered energy-relevant if they have a power consumption of more than 50 kW and/or a coverage of 20,000 kWh/year. In this case, an energy-efficient alternative must be sought. A life cycle cost analysis is carried out for the various alternatives. The technical assessment is carried out by the employees, the energy assessment by the energy manager, and the economic assessment by Purchasing. The selection process then takes place as a consensus decision. The target of this policy are to create awareness of energy efficiency and to reduce energy consumption and $CO_2$ emissions. This policy applies to all companies with an energy management system. The Internal Audit department is responsible for the implementation with the support of the Sustainability department. The interests of the most important stakeholders were indirectly taken into account when the policy was resolved through the involvement of the affected and co-responsible departments with knowledge of stakeholder interests. The policy is made available via the 'StoInside' intranet and is therefore accessible to potentially affected stakeholders whose help is needed for implementation.

The commitment to climate change mitigation is rounded off by the 'Principles of the Integrated Management System' policy, which relates to quality, safety, environment and energy issues and addresses aspects of climate change mitigation as well as energy and resource efficiency in particular. Within this framework, Sto identifies risks arising from climate change, takes actions for climate change adaptation and develops a climate protection strategy. In this way, Sto's management system lays the groundwork for achieving its goals. As far as possible, the respective climate protection measures are integrated into existing energy management systems. If these are not yet in place, they are established and corresponding processes and responsibilities are defined. The target of this policy is

20250904057755

to establish sustainability in Sto's business processes. In order to implement this holistically, Sto is guided by the relevant ISO sets of rules for quality, environment, safety and energy. This policy applies to all companies with an energy management system. The Internal Audit department is responsible for the implementation with the support of the Sustainability department. The interests of the most important stakeholders were indirectly taken into account when the policy was resolved through the involvement of the affected and co-responsible departments with knowledge of stakeholder interests. The policy is made available via the 'StoInside' intranet and is therefore accessible to potentially affected stakeholders whose help is needed for implementation.

**Policies related to energy:**
The 'Energy efficiency in procurement (life cycle)' policy is also used in the 'Energy' area to deal with the impacts and risks of the sustainability matter. At the moment, there is no policy that specifically promotes the use of renewable energy.

## E1-3 Actions and resources in relation to climate change policies

**Actions related to climate change adaptation:**
The following actions were taken by Sto to deal with the impacts, opportunities and risks in connection with the sustainability matter 'Climate change adaptation'.

**Climate risk analysis**
As part of the climate risk analysis, Sto identifies climate-related risks and implements actions to avoid or mitigate negative impacts. For example, we must increasingly focus on risks from severe weather, which can have a huge and unpredictable impact on the business, the locations, and the supply chains. This action contributes to the corporate target of climate change mitigation and sustainable, profitable growth that protects capital. It includes consulting and analysis activities, relates to the geographical areas of the entire Sto Group, and covers our own operating activities as well as the upstream supply chain. It is planned to maintain the action on a permanent basis. Progress made and expected in relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

No overarching policy with a corresponding package of actions based on the climate risk analysis has yet been implemented. Immediate risks and actions are recorded in the risk management system. Indirect risks will be analysed in more detail in 2025. The need for actions is also determined in this context.

**Actions related to climate change mitigation and energy:**
Sto has taken the following actions to deal with the effects of impacts, risks and opportunities in the area of 'Climate change mitigation'.

**Package of actions to achieve the climate action targets**
In order to achieve the climate action targets defined in the sustainability strategy, Sto has launched a package of measures to be implemented by 2025. The package of measures relates to both the product portfolio and business processes.

The following actions relate to the product portfolio:

- Identification of products and systems that contribute to climate change mitigation and determination of their future potential for the company's economic strength and their concrete contribution to reducing greenhouse gas emissions. Specifically, this concerns
  - External wall insulation systems (EWIS): reducing emissions by saving energy and conserving resources by maintaining existing buildings through energy retrofitting;
  - Facade coatings (e.g. renders): protection and preservation of buildings (and an integral part of permanent external wall insulation systems);
  - Concrete repair: extending the useful life of buildings.
- Determining, quantifying, and publishing the environmental effects of the products and systems with a clear focus on our Carbon footprint; for example, through Environmental Product Declarations (EPDs).
- Creating specific life cycle assessments for Sto products and systems, and constructing a life cycle assessment database to analyse and optimise the impact of Sto products on climate change.

The following actions relate to business processes:

- Preparation of $CO_2$ balance sheets using the official directives of the Greenhouse Gas Protocol for all Sto companies (Scope 1, Scope 2 and Scope 3).
- Group-wide introduction of energy management systems and, building on this, improvement of the energy efficiency of the company's own operations. To improve energy management, Sto is guided by ISO 50001. The German companies Sto SE & Co. KGaA with all production sites and the relevant SalesCentres in Germany, StoCretec GmbH, Innolation GmbH, Verotec GmbH, Ströher GmbH, Ströher Produktions GmbH & Co. KG, VIACOR Polymer GmbH, Liaver GmbH & Co. KG and the Austrian Sto Ges.m.b.H. were ISO 50001-certified in 2024 in order to improve energy management. The energy management system, which is used to recognise energy consumption, monitor energy use, raise energy efficiency and create the basis

for $CO_2$ balance sheets, forms a material pillar. By complying with ISO 50001, unutilised energy efficiency potential can be tapped. A holistic approach is taken and the vehicle fleet, buildings, infrastructure, technology, employees, processes and organisational procedures are incorporated into the analysis. The ISO 50001 audit certified a very high level of efficiency. An analysis by the internal 'Energy efficiency and climate change mitigation at Sto' network comes to the same conclusion. A high level of energy and resource efficiency has already been achieved in the company through many years of consideration of energy-relevant topics. Taking the usual optimisation measures as a basis, no sudden improvements are to be expected in the coming years. This is especially true for the production division, where the technical possibilities have already been exhausted in many areas. Accordingly, for future savings in energy, greater attention is being paid to process optimisations that are to be implemented consistently across all areas of the company.
- Analysis of $CO_2$ emissions for investments in machinery, equipment, vehicle fleets, real estate, and buildings, taking into account climate-impacting and economic aspects, especially through potentially rising $CO_2$ prices. When making purchases, Sto takes into account the current state of the art; when taking actions to reduce energy consumption, the savings potential with regard to $CO_2$ emissions is determined; when making investments, a full cost analysis is prepared, taking $CO_2$ prices and emissions into account.
- Reduction of the energy consumption of buildings through the use of Sto products and compliance with high energy efficiency standards, generation of renewable energy at our own locations as part of the replacement of heating systems, construction of new buildings, refurbishment of existing buildings and site planning in order to completely avoid energy-related greenhouse gas emissions. Construction of new buildings at Sto is carried out to nearly zero-energy or better standards. The widespread energy refurbishment of our own buildings, including EWIS (external wall insulation system), windows, roofs, and gates, also aims to reduce energy consumption in the company, as well as direct emissions. Energy efficiency measures in buildings and investments are monitored and employees are incorporated into initiatives for saving energy. The potential for reducing and substituting energy requirements at other locations is also being systematically analysed.
- Generation and direct utilisation of renewable electricity at our own sites. Various locations in Europe were gradually equipped with photovoltaic systems. By the 2024 year end, the installed capacity at the Sto locations totalled 3,500 kilowatt peak (kWp). This will enable the Sto Group to generate 3.5 million kWh of renewable electricity. At the Stühlingen/Germany site, the company operates its own hydropower plant with near-natural water flow and an annual output of over 200,000 kWh. Photovoltaic systems are located at production sites and sales sites in Germany, Austria, Poland, Belgium, Spain, and Norway, and are planned at various other Group locations. Furthermore, the additional possibilities for the generation of renewable energies, such as wind power, at the sites are being examined. The increased use of green electricity to reduce $CO_2$ emissions in Scope 2 is also being implemented.
- Support for climate change mitigation through voluntary, verifiable compensation measures: Unavoidable greenhouse gas emissions are voluntarily offset by acquiring corresponding climate certificates (applied to Sto companies with verified $CO_2$ balance sheets and selected Sto products); support for a number of climate protection projects with the purchase of climate certificates, particularly in developing and emerging countries.
- Incorporating climate change risks in the form of increased severe weather, potential local water shortages, and the like in the risk management system.

These actions contribute to the company's target of climate-neutral production. The geographical focus is on Europe, while individual actions such as the recording of greenhouse gas emissions are implemented globally.

In addition to the package of measures listed here, Sto implemented various individual measures in the year under review.

**Renewal of the car fleet**
Sto is gradually switching to electric vehicles when renewing its car fleet. When selecting company vehicles, Sto is guided by a complex full cost analysis with an optimum ratio between price, service, consumption, and $CO_2$ emissions. This action contributes to the corporate target of climate change mitigation. The geographical focus is on Germany and selected subsidiaries in Europe. Sto SE & Co. KGaA aims to establish 25.0 % of newly purchased vehicles as electric vehicles by 2025 and at the same time reduce the share of diesel vehicles. It is planned to maintain the action on a permanent basis. Progress was made in increasing the share of electric vehicles in the reported action in the current financial year. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Expansion of the charging infrastructure for e-mobility**
The charging infrastructure is being gradually expanded at the locations in Germany. The charging points at Stühlingen/Germany are not only available to employees and visitors, but also to tourists. The charging station is powered by green electricity from

20250904057S6

hydropower. This action contributes to the corporate target of climate change mitigation. The geographical focus of the expansion of the charging infrastructure for e-mobility is also on locations in Germany. It is planned to maintain the action on a permanent basis. In the case of the reported action, progress was made in the current financial year with regard to the expansion of charging points. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Thanks to the complexity of the actions in the area of 'Climate change mitigation' and 'Energy', the Sto Group succeeded in achieving the reduction targets defined as part of energy management of a cut of one per cent per year in the year under review. Decarbonisation levers such as increasing energy efficiency, generating energy from renewable energy sources, investing in low-carbon technologies and sourcing renewable energy were used. Nature-based solutions were not used in the listing. Sufficient financial and human resources have been made available for these actions. In the year under review, funds amounting to around EUR 1.0 million were made available for these actions in the Sto Group. These are part of other operating expenses and personnel expenses in the consolidated statement of profit or loss.

## 2.4. Key figures and targets

### E1-4 Targets related to climate change mitigation and adaptation

**Targets related to climate change adaptation:**
Sto has not set any targets for the management of impacts, risks and opportunities in connection with the sustainability matter 'Climate change adaptation' because the adaptation measures are not defined and implemented at Group level, but at location or company level, and the product portfolio is part of the global business strategy. The company monitors the effectiveness of its policies and actions by integrating sustainability matters into the risk management system. The defined targets are case-specific and are filed as actions in the risk management system. The progress has been measured since the introduction of the risk management system and evaluated with the help of the specialist departments.

**Targets related to climate change mitigation:**
Sto has set the following targets for the management of material climate-related impacts, risks and opportunities as part of the sustainability strategy implemented in 2021: reduction of $CO_2$ emissions (by 5.0 % per year after 2025), achievement of climate-neutral production without the use of compensation measures, and introduction of energy management systems in all countries. Sto's greenhouse gas reduction target (reduction of $CO_2$ emissions by 5.0 % per year after 2025) was set as part of the sustainability strategy implemented in 2021 in order to respond to the effects of the impacts, risks and opportunities in the area of climate change mitigation.

These will be revised as part of drawing up a transition plan in 2025 and adjusted to the corresponding time and accounting framework in accordance with the requirements of ESRS E1. There are no specific emission reduction targets for the year under review and therefore no disclosure obligations in accordance with the requirements of ESRS E1.

**Reduction of $CO_2$ emissions (by 5.0 % per year after 2025)**
From 2025, the aim is to reduce greenhouse gas emissions by 5.0 % per year. The target is an absolute target. It is directly related to Sto's strategic climate change mitigation targets and in line with the business strategy. It relates to Sto's directly influenceable greenhouse gas emissions that fall under Scope 1 and 2. The reference value is the total amount of Scope 1 (30,718 $tCO_2e$) and market-based Scope 2 emissions (5,933 $tCO_2e$) of the Sto Group; the reference year for measuring progress was set as 2024, for which a complete $CO_2$ balance sheet of the entire Sto Group is available for the first time. The methods and significant assumptions used to set the targets include various scientific findings and best practices. In particular, findings from the 'Roadmap to climate neutrality' of VDPM e.V. are being incorporated into the planning. The achievement of targets is monitored and reviewed using specific methods that are continuously developed and adjustments are made. The current target will be transferred to a transition plan in 2025 to ensure that the path to climate neutrality by 2050 is maintained. Accordingly, the target will be revised in 2025 and provided with a new reference value. Stakeholder engagement in the definition of targets is achieved by involving internal departments and taking political and legal requirements into account. For this reason, the target will be changed in 2025. It is monitored and reviewed by drawing up and publishing an annual greenhouse gas balance sheet for the Sto Group. In this context, the reduction targets are adapted to the corresponding reporting requirements of ESRS E1.

**Achieving climate-neutral production without the use of compensation measures**
The Sto Group has set itself the target of achieving climate-neutral production from 2040, without the use of compensation measures. The target was set as part of the sustainability strategy implemented in 2021 and relates to Sto's directly influenceable greenhouse gas emissions that fall under Scope 1 and 2. The set target level was defined as zero $CO_2$ emissions in

Scope 1 and 2. The target is an absolute target. It is directly related to Sto's strategic targets in the area of 'Climate change mitigation' and is integrated into the business strategy. The scope of the target extends to the company's own production. This target will also be transferred to a transition plan in 2025 to ensure that the path to climate neutrality by 2050 is maintained. The reference value is the total amount of Scope 1 (30,718 $tCO_2e$) and market-based Scope 2 emissions (5,933 $tCO_2e$) of the Sto Group; the year 2024 was defined as the reference year for measuring progress. The methods and significant assumptions used to set the targets include targets and definitions from the United Nations and the European Union (including the Paris Agreement, the European Green Deal and the CSRD). The stakeholder engagement in the definition of targets takes place through the consideration of political and legal requirements. For this reason, the target will be changed in 2025. The target is monitored and reviewed by drawing up and publishing an annual greenhouse gas balance for the Sto Group. In this context, the reduction target is adapted to the corresponding reporting requirements of ESRS E1.

**Targets in connection with energy:**
The following targets have been defined by Sto in order to respond to the effects of the impacts, risks and opportunities of the 'Energy' sustainability matter.

**Introduction of energy management systems in all countries**
As part of the sustainability strategy implemented in 2021, the Sto Group has set itself the target of introducing energy management systems in all countries with production facilities by 2025. The target was defined as energy monitoring with subsequent analysis and control of the material consumers. Monitoring is central to the measurement and control of energy consumers, it serves as the basis for energy management and should contribute to the optimisation of energy consumption in the future. The specified target level is defined as the share of Sto production facilities that have an energy management system in accordance with ISO 50001 or an alternative system for the recognition and control of energy consumption. The target is an absolute target. In 2024, 11 out of 32 production facilities had an energy management system in accordance with ISO 50001 and all production facilities had an energy monitoring system. The project is anchored in the strategic area of climate change mitigation and is in line with Sto's business strategy. The reference value and the reference year for measuring progress were set as 100 % in 2024. The methods and significant assumptions used to set the targets include national and European standards and regulations (including the Energy Efficiency Act, the European Union's energy efficiency policy and the Green Deal). This commitment emphasises the Sto Group's obligation to use energy sustainably and efficiently in its production processes. The target is based on conclusive scientific findings on environmental aspects of energy efficiency and energy management (based on ISO 50001). The stakeholder engagement in the definition of targets takes place indirectly through the consideration of political and social aspirations for energy efficiency. The target was not changed in the year under review. It is monitored and reviewed by establishing centralised coordination via the Sustainability department with the support of the Internal Audit department. The progress is in line with the original planning.

## E1-5 Energy consumption and mix

**Energy consumption and mix, energy production and energy intensity**

| | 2024 |
|---|---|
| **Total energy consumption (MWh)** | **171,287** |
| **Total energy consumption from fossil fuels (MWh)** | **139,283** |
| Fuel consumption from coal and coal products (MWh) | 63 |
| Fuel consumption from crude oil and petroleum products (MWh) | 40,842 |
| Fuel consumption from natural gas (MWh) | 78,019 |
| Fuel consumption from other fossil sources (MWh) | 0 |
| Consumption from purchased or received electricity, heat, steam and cooling and from fossil sources (MWh) | 20,359 |
| **Total energy consumption from nuclear sources (MWh)** | **983** |
| **Total energy consumption from renewable sources (MWh)** | **31,021** |
| Fuel consumption from renewable sources (MWh) | 125 |
| Consumption of purchased or received electricity, heat, steam and cooling and from renewable sources (MWh) | 28,622 |
| Consumption of self-generated renewable energy other than fuels (MWh) | 2,274 |
| **Energy intensity associated with activities in high climate impact sectors (MWh/EUR)** | **0.0001** |
| **Energy production** | |
| Production of non-renewable energy (MWh) | 0 |
| Production of renewable energy (MWh) | 2,757 |

The Sto Group's net sales revenue in the 2024 financial year totalled EUR 1,612 million (see Consolidated annual financial statement of the Sto Group (IFRS), Notes, Note (1) Revenue). The figures for energy intensity were derived from the total energy consumption and the net sales revenues from activities in high climate impact sectors.

20250904057757

The Sto Group is active in the following high climate impact sectors:

C.20.30: 'Manufacture of paints, varnishes and similar coatings, printing ink and mastics'
C.23.21: 'Manufacturing of ceramic wall and floor tiles and slabs'
C.23.64: 'Manufacture of mortars'
G. 46.13: 'Activities of agents involved in the wholesale of timber and building materials'

**Methodologies and assumptions**
The data on energy consumption and the primary data on greenhouse gas emissions were requested from the Group companies and collated. For energy consumption, the primary data was collected in different units of measure and converted into Mega-Watt-hours (MWh) using appropriate conversion factors. The data on energy consumption comes largely from direct measurements such as invoices from energy service providers or meter readings from measuring meters. At locations where no data was available at the time of data collection in January 2025, estimates were made on the basis of the previous year's data.

The data on fuel consumption from renewable sources also includes biomass (including industrial and municipal waste of biological origin), biofuels, biogas and hydrogen from renewable sources. When calculating some quantitative data as part of carbon footprinting, Sto relies on extrapolations, estimates and assumptions if no data is available in real terms.

The energy management system in accordance with ISO-50001 was audited by DQS GmbH. At Liaver GmbH & Co. KG by GUTcert GmbH. Accordingly, the energy consumption of the ISO-50001-certified companies was validated by an external body. The key figures were collected in January 2025 for the 2024 financial year and subjected to a content-related audit with limited assurance by the auditor.

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

| | | | | | Milestones and target years | | |
|---|---|---|---|---|---|---|---|
| | Base year 2024 | 2023 | 2024 | % 2024/2023 | 2030 | 2050 | Annual % of targets / base year |
| **Scope 1 GHG emissions** | | | | | | | |
| Scope 1 GHG gross emissions ($tCO_2e$) | 30,718 | | 30,718 | | | | |
| Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (in %) | 14.3 | | 14.3 | | | | |
| **Scope 2 GHG emissions** | | | | | | | |
| Location-based Scope 2 GHG gross emissions ($tCO_2e$) | 14,035 | | 14,035 | | | | |
| Market-based Scope 2 GHG gross emissions ($tCO_2e$) | 5,933 | | 5,933 | | | | |
| **Significant Scope 3 GHG emissions** | | | | | | | |
| Total indirect (Scope 3) gross GHG emissions ($tCO_2e$) | 1,489,152 | | 1,489,152 | | | | |
| 1 Purchased goods and services | 895,377 | | 895,377 | | | | |
| 2 Capital goods | 19,382 | | 19,382 | | | | |
| 3 Fuel and energy-related activities (not included in Scope1 or Scope 2) | 6,892 | | 6,892 | | | | |
| 4 Upstream transportation and distribution | 177,846 | | 177,846 | | | | |
| 5 Waste generated in operations | 9,077 | | 9,077 | | | | |
| 6 Business travelling | 2,868 | | 2,868 | | | | |
| 7 Employees commuting | 4,104 | | 4,104 | | | | |
| 8 Upstream leased assets | – | | – | | | | |
| 9 Downstream transportation | 13,947 | | 13,947 | | | | |
| 10 Processing of sold products | 92,935 | | 92,935 | | | | |
| 11 Use of sold products | – | | – | | | | |
| 12 End-of-life treatment of sold products | 207,205 | | 207,205 | | | | |
| 13 Downstream leased assets | – | | – | | | | |
| 14 Franchises | – | | – | | | | |
| 15 Investments | 59,519 | | 59,519 | | | | |
| **Total GHG emissions** | | | | | | | |
| Total GHG emissions (location-based) ($tCO_2e$) | 1,533,905 | | 1,533,905 | | | | |
| Total GHG emissions (market-based) ($tCO_2e$) | 1,525,803 | | 1,525,803 | | | | |

**Methodologies and assumptions**
There were no significant changes in the definition of the reporting companies and their upstream and downstream value chain in the year under review.

There are currently no other known reporting periods for the relevant companies in the value chain.

No further information is provided on biogenic emissions, as these are not relevant for Sto.

**Scope 1**
To calculate the Scope 1 GHG emissions, the company-wide fuel consumption data and the fugitive emissions of solvents and refrigerants were multiplied by the corresponding emission factors. The emission factors were taken from the following database: UK Government GHG Conversion Factors for Company Reporting (Version 1.1 Year 2024). This database was chosen because it is a recognised source in the context of assigning emission factors, it is geared towards greenhouse gas emission balances for companies and it is generally applied.

At Sto, Scope 1 GHG emissions from regulated emissions trading schemes are only caused by Ströher Produktions GmbH & Co. KG.

There are currently no other known reporting periods for the relevant companies in the value chain.

**Scope 2**
To calculate Scope 2 GHG emissions, the electricity, heating and cooling consumption recorded throughout the company was multiplied by the corresponding emission factors. The emission factors for the

20250904057758

location-based emissions were mainly taken from the following databases: ecoinvent (version 3.11), EEA (European Environment Agency, year 2023) and Climatiq (year 2021). These databases were chosen as they are scientifically recognised sources for the preparation of life cycle assessments and greenhouse gas emission balances and are in general use.

Sto SE & Co. KGaA and, above all, subsidiaries in Germany, France, Austria, Switzerland, Scandinavia, Spain and Belgium purchase certified green electricity. This is one of the main reasons for the large deviation between the location-based and market-based Scope 2 GHG gross emissions.

**Scope 3**

To calculate Scope 3 GHG emissions, the consumption-based primary data was multiplied by corresponding emission factors. The type of primary data differs depending on the Scope 3 category. Calculations are often made on the basis of costs, for example for purchased services, capital goods or upstream upstream transportation and distribution. Weight data is used in some places, for example for purchased goods, the waste generated in operations, the processing of sold products and the end-of-life treatment of sold products. Most of the data comes from direct measurements, for example from financial accounting, materials management or from service providers, for example for disposál. For Scope 3 categories without specific primary data, estimates or assumptions were made. For example, the kilometre figures for business travelling were derived from the costs or a standard emission value per employee commuting was assumed, which was determined on the basis of Sto-specific determinations and differentiated according to the region of the location.

The emission factors were mainly used from the following databases: ecoinvent (essentially version 3.11), ÖKOBAUDAT (year 2023), US EPA (Environmental Protection Agency, version 1.2 year 2021), UK Government GHG Conversion Factors for Company Reporting (version 1.1 year 2024) and EPDs (Environmental Product Declarations). They were selected as specifically as possible in order to take country-specific differences into account. Global and not country-specific values were used for cost-based emission factors.

The Environmental Product Declaration values (EPD values) regarding the processing of sold products and end-of-life treatment of sold products were calculated using sector average data.

No information on greenhouse gas emissions was used that was calculated by service providers in the value chain.

Significant Scope 3 categories for Sto are purchased goods and services, end-of-life treatment of sold products as well as upstream transportation and distribution. The largest share is accounted for by purchased goods and services. On the one hand, these cause the highest greenhouse gas emissions and, on the other, are associated with high financial expenditure. This weighting is common for industrial manufacturing companies. Nevertheless, this category is associated with risks and opportunities for the Sto Group, which are explained in more detail in Chapter 3 (ESRS E5).

**Purchased goods and services**

The purchased services were determined using corresponding cost-based emission factors. The purchased goods were analysed at product group level and various emission factors were assigned to the product groups. This collection was based on the weight of the purchased product groups. A share of 88.0 % of the total weight of all purchased product groups was analysed and assigned to these emission factors. The results were then extrapolated to 100 %. No special calculation tools were used to determine greenhouse gas emissions. GHG emissions from purchased cloud computing and data centre services under licences are also reported in this category.

**Upstream transportation and distribution**

The upstream transportation and distribution was determined on the basis of freight costs, which were allocated to corresponding cost-based emission factors. The share of transport not included in the freight costs, which was paid for by suppliers, for example, was estimated and taken into account by those responsible for logistics and materials management. No primary data from suppliers or other partners that was calculated in the value chain was used.

**Business travelling**

The kilometres travelled by employees on business trips were extrapolated on the basis of travel expenses. The values stated are calculation components. These were used in the calculation of Scope 3 emissions.

**End-of-life treatment of sold products**

The greenhouse gas emissions for the end-of-life treatment of sold products were determined using data from Environmental Product Declarations (EPDs). The products sold were analysed in kilograms and assigned to the corresponding EPDs, in which a calculation of greenhouse gas emissions at the end of the product's life is given per kilogram. These emissions are multiplied by the corresponding weight of the products sold. The scope of Scope 3 GHG emissions calculated using primary data (EPDs) from suppliers or other partners in the value chain is 100 %.

**Excluded Scope 3 categories**
The category 'Upstream leased assets' was excluded, as no significant assets are leased by Sto that have not already been taken into account in Scope 1 or Scope 2.

The category 'Use of sold products' was also excluded, as Sto products do not cause any significant greenhouse gas emissions during their service life. Instead, the external wall insulation systems sold contribute to saving greenhouse gas emissions for end consumers, as less heating or cooling is required due to the insulation of the house.

The category 'Downstream leased assets' was also excluded, as Sto does not rent out any significant assets that have not already been taken into account in Scope 1 or Scope 2.

Finally, the 'Franchises' category was also excluded, as Sto is not a franchisor.

The measurement of the key figures has not been validated by any external body. The key figures were collected in January 2025 for the 2024 financial year and subjected to a content-related audit with limited assurance by the auditor.

**GHG intensity on the basis of net revenue**

| GHG intensity | 2024 |
|---|---|
| Total GHG emissions (location-based) per net revenue ($tCO_2e$/EUR) | 0.000951 |
| Total GHG emissions (market-based) per net revenue ($tCO_2e$/EUR) | 0.000946 |

The Sto Group's net sales revenue in the 2024 financial year totalled EUR 1,612 million (see Consolidated annual financial statement of the Sto Group (IFRS), Notes, Note (1) Revenue). The total emissions were calculated by adding the Scope 1, Scope 2 and Scope 3 emissions. The definition of Sto's value chain did not change in the year under review.

The measurement of the key figures has not been validated by any external body. The key figures were collected in January 2025 for the 2024 financial year and subjected to a content-related audit with limited assurance by the auditor.

**Contractual instruments in relation to Scope 2 emissions**

| Scope 2 | 2024 |
|---|---|
| Share of contractual instruments used for the purchase of energy bundled with energy production attributes | 53.6 % |
| Share of contractual instruments used for the purchase of energy that is not bundled with energy attributes | 0.0 % |

As there are no other companies in which investments are made and over which Sto has operational control, the Scope 1 and Scope 2 emissions are not broken down separately according to the financial companies consolidated and the companies in which investments are made.

**Methodologies and assumptions**
To determine the shares of contractual instruments used for the purchase of energy bundled with energy production attributes, the corresponding contracts with energy suppliers were analysed. 53.6 % of the energy purchased, which is used for both electricity and district heating, comes from contractual instruments that are bundled with energy production attributes.

The measurement of the key figures has not been validated by any external body. The key figures were collected in January 2025 for the 2024 financial year and subjected to a content-related audit with limited assurance by the auditor.

## E1-7 GHG removals and GHG mitigation projects financed through carbon credits

**Use of carbon credits in the year under review**

| | 2024 |
|---|---|
| Total quantity of carbon credits cancelled in the year under review ($tCO_2e$) | 32,627 |
| Share from removal projects (%) | 2.6 |
| Share from reduction projects (%) | 97.4 |
| Recognised quality standard 1 (%) | 7.7 |
| Recognised quality standard 2 (%) | 92.3 |
| Share from projects within the EU (%) | 0.0 |
| Share of carbon credits that qualify as corresponding adjustments under Article 6 of the Paris Agreement (%) | 0.0 |

**Methodologies and assumptions**
The data on carbon credits was collected by directly querying of the Sto companies. Information on the quality standards is based on the details of the purchased certificates and on research on the websites of the providers and the responsible project organisers of the climate protection projects. The $CO_2$ certificates are part of Sto's climate protection policy within the framework of the sustainability strategy implemented in 2021 and serve as a compensation measure for greenhouse gas emissions that cannot be reduced in any other way.

20250904057759

The Sto Group purchased a total of 32,627 tonnes of carbon credits ($tCO_2$) in the year under review 2024. Of this, 97.4 % came from reduction projects and 2.6 % from removal projects. The carbon credits from removal projects originate from biogenic sinks and are not related to the company's own activities or its upstream and downstream value chain. With regard to the quality of the compensation projects, 7.7 % fulfil quality standard 1 (e.g. Gold Standard) and 92.3 % fulfil quality standard 2 (e.g. ISO 14064-2). All projects were realised outside the European Union and no carbon credits were purchased that qualify as an adjustment under Article 6 of the Paris Agreement.

Only climate protection projects that are accredited, approved and monitored in accordance with an internationally recognised certification standard were selected for the purchasing of climate protection certificates. Sto is a supporter of the 'Development and Climate Alliance Foundation', which pursues the achievement of global climate action targets and strives for a holistic transformation towards sustainability with the incorporation of countries in the global South. To this end, development cooperation and international climate protection are linked via the instrument of voluntary offsetting of greenhouse gases and additional funds are mobilised to finance important development and climate protection projects in developing and emerging countries. As a supporter of the Alliance, Sto helps to ensure that climate protection technologies – adapted to local needs and conditions in the partner countries – can be developed, promoted, and implemented by supporting offset projects.

Sto is not currently pursuing any concrete plans to cancel carbon credits by 2030. Their future use will be reassessed as part of the preparation of a transition plan to achieve climate neutrality by 2050.

The measurement of the key figures has not been validated by any external body. The key figures were collected in January 2025 for the 2024 financial year and subjected to a content-related audit with limited assurance by the auditor.

**Carbon credits planned to be cancelled**

| | Amount until 2030 |
|---|---|
| Carbon credits to be cancelled in the future ($tCO_2e$) | - |
| Share of projects within the EU (%) | - |
| Share to be considered as corresponding adjustment under Article 6 of the Paris Agreement (%) | - |

# EU Taxonomy reporting by the Sto Group

Based on Section 289b (1) in conjunction with Section 315b of the German Commercial Code (HGB) and Article 8 of the Taxonomy Regulation, Sto is bound to apply the rules contained in the Taxonomy Regulation. Sto SE & Co. KGaA has prepared its consolidated annual financial statement of the Sto Group as at 31 December 2024 in accordance with the IFRS, as applicable in the European Union, and the interpretations issued by the IFRS Interpretation Committee (IFRIC). The figures below have been determined based on the IFRS consolidated annual financial statement of the Sto Group. All fully consolidated and proportionally consolidated Group companies are included. The following EU Taxonomy reporting was determined on the basis of the Commission Delegated Regulation (EU) 2021/2178 and in accordance with the International Financial Reporting Standards (IFRS) applicable to the consolidated annual financial statement of the Sto Group.

For the environmental goals of climate change mitigation and climate change adaptation, the EU delegated acts (Delegated Regulation (EU) 2021/2139 and its supplement Delegated Regulation (EU) 2023/2485 adopted by the EU Commission in June 2023) contain descriptions of relevant economic activities and technical assessment criteria. In 2023, a further EU delegated act (Delegated Regulation (EU) 2023/2486) was published, which contains relevant economic activities and technical assessment criteria for the remaining environmental goals.

An economic activity is Taxonomy-eligible if it is listed in the EU Taxonomy and can therefore potentially contribute to achieving at least one of the six environmental objectives stated in Article 9 of the Taxonomy Regulation:

a) Climate change mitigation
b) Climate change adaptation
c) Sustainable use and protection of water and marine resources
d) Transition to a circular economy
e) Pollution prevention and control
f) Protection and restoration of biodiversity and ecosystems

Only Taxonomy-eligible economic activities can be declared Taxonomy-aligned and, therefore, 'environmentally sustainable' when certain criteria are met.

### 2.5.1. Sto's economic activities

In the first step of the analysis, based on the descriptions of the economic activities in the Climate Delegated Act and in the Environmental Delegated Act of the Taxonomy Regulation, the extent to which Sto's economic activities are Taxonomy-eligible with regard to the six environmental objectives was analysed: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. As a manufacturer and marketer of functional systems for energy-efficient building equipment, Sto SE & Co. KGaA and a large number of its subsidiaries carry out Taxonomy-eligible activities from Annex 1 (environmental objective: Climate change mitigation) in their core business. Taxonomy-eligible activities mainly relate to the product segments of external thermal insulation systems and rainscreen cladding facade systems. As in the previous year, these activities can be allocated to the economic activity 3.5 'Manufacture of energy efficiency equipment for buildings' listed in Annex 1. Therefore, all related sales revenue, capital expenditure and operating expenditure were classified as Taxonomy-eligible. All other economic activities listed in Annex 1 (Climate change mitigation) and Annex 2 (Climate change adaptation) are not relevant to Sto's sales revenue. Sto is not involved in any economic activity related to energy generation from fossil gas or nuclear power. We therefore do not provide the specific reporting forms for these activities. When analysing Sto's activities with regard to the environmental objectives of the Environmental Delegated Act (sustainable use and protection of water and marine resources (Annex I), transition to a circular economy (Annex II), prevention and reduction of pollution (Annex III) and protection and restoration of biodiversity and ecosystems (Annex IV)), no activities were identified as Taxonomy-eligible.

### 2.5.2. Checking Taxonomy-alignment for economic activity 3.5

For a Taxonomy-eligible economic activity to be Taxonomy-aligned, it must fulfil three overarching criteria: it must substantially contribute to one of the environmental objectives, do no harm to any other environmental objective, and meet the minimum social safeguards.

#### 2.5.2.1. Substantial contribution

In the first step of the analysis regarding Taxonomy-alignment, the Taxonomy-eligible activities must be assessed to determine the extent to which they meet the defined criteria for making a substantial contribution to one of the environmental objectives.

All external wall systems sold and placed on the market by Sto allow building owners to achieve a U-value that is considerably below the defined limit value of 0.5 W/m2K. Internal wall systems are another Sto product segment in addition to external wall systems. However, although external wall systems are named explicitly in the legal text of Annex 1 of the Delegated Act, the same does not apply to internal wall systems. This product segment has therefore been assigned to thermal insulation products.

All thermal insulation products made and placed on the market by Sto are significantly below the defined limit value of 0.06 W/mK. This means the relevant criteria for making a substantial contribution to climate protection have been fulfilled in the context of economic activity 3.5. With its core products, Sto is making an important contribution to climate protection.

**List of Sto's economic activities relevant to the EU Taxonomy**

| | Economic activity | Description |
|---|---|---|
| CE 1.2 | Manufacture of electrical and electronic equipment | Investments in IT equipment |
| CCM 3.3 | Manufacture of low carbon technologies for transport | Acquisition of vehicles |
| CCM 3.5 | Manufacture of energy efficiency equipment for buildings | Manufacture of facade insulation systems |
| CCM 7.1 | Construction of new buildings | Investments in new buildings |
| CCM 7.2 | Renovation of existing buildings | Renovation of existing buildings |
| CCM 7.3 | Installation, maintenance and repair of energy efficiency equipment | Investments and costs, e.g. for heating and air conditioning systems |
| CCM 7.4 | Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) | Investments in charging stations |
| CCM 7.5 | Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | Costs for e.g. measuring devices for recording energy consumption |
| CCM 7.6 | Installation, maintenance and repair of renewable energy technologies | Investments in PV systems |
| CCM 7.7 | Acquisition and ownership of buildings | Investments in buildings |

20250904057760

#### 2.5.2.2. Do no significant harm (DNSH)

The second step in the alignment check relates to DNSH criteria. It must be ensured that the company's Taxonomy-eligible economic activities do no significant harm to any of the other environmental objectives. To fulfil the DNSH criterion in accordance with Appendix A of Annex I, a climate risk analysis was carried out for all Sto locations relevant to economic activity 3.5. For this purpose, the climate scenarios RCP2.6 (temperature rise does not exceed the 2 °C limit by the end of the century) and RCP8.5 (temperature rise is approx. 4.8 °C by the end of the century) were analysed, taking into account time horizons up to 2050. 86 % of the locations analysed are currently exposed to a medium or high physical climate risk. With a representative concentration path RCP8.5, the number of locations exposed to a high or medium physical climate risk will increase to 95 % by 2050. Extreme heat is the most frequent climatic hazard for the locations in the analysed portfolio, followed by heavy precipitation and flooding as well as river flooding. Most of the locations affected are in Europe. In this context, appropriate adaptation solutions were identified, which will be further expanded in the coming years.

To fulfil the DNSH criterion in accordance with Appendix B of Annex I, Sto has carried out a site-specific analysis of the impacts on water and water scarcity. The company operates in accordance with the relevant management plans at all locations relevant to economic activity 3.5. Based on these findings, measures are derived as required at all locations relevant to economic activity 3.5. to ensure that significant adverse effects are avoided.

Sto has recognised that an environmental impact assessment is required for all Sto locations relevant to economic activity 3.5. in order to meet the DNSH criterion in accordance with Appendix D of Annex I and is conducting corresponding assessments at the locations.

In addition, the requirement was initially analysed upstream of the construction processes for the locations. For the locations that were subjected to a climate risk analysis, Sto also checked whether they were located in or near biodiversity-sensitive areas. An impact assessment was carried out for the sites in or near biodiversity-sensitive areas. On this basis, future measures, such as the near-natural design of company premises, are derived to ensure that significant adverse effects are avoided.

As in the previous year, the analyses of the DNSH criterion in accordance with Appendix C of Annex I with regard to the use and presence of chemicals showed that almost all of Sto's turnover identified as Taxonomy-eligible already fulfils these requirements. Substances that must be avoided according to the Taxonomy Regulation are only used to a very limited extent.

With regard to the DNSH criterion for the transition to a circular economy, Sto has ensured that its own activities include an assessment of availability and, where possible, an application of processes that support the following points:

a) Reuse and utilisation of secondary raw materials, waste products and reused components in the manufactured products;
b) Design for high durability, recyclability, easy disassembly and adaptability of the manufactured products;
c) Waste management that prioritises recycling over disposal in the manufacturing process;
d) Information on substances of concern and traceability of these substances throughout the life cycle of manufactured products.

In addition to fulfilling the relevant criteria, Sto makes an important contribution to the circular economy by providing systems for the return and recycling of product residues and packaging that accumulate during processing by customers.

#### 2.5.2.3. Minimum safeguards

The third overarching criterion for Taxonomy-alignment is to ensure that minimum safeguards are met. Sto aims to meet these requirements at Group level. In relation to complying with 'minimum safeguards', Article 18 of the Taxonomy Regulation specifies the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO Core Labour Standards, and the International Bill of Human Rights as relevant frameworks. In terms of giving concrete shape to the requirements, Sto is guided by the recommendations of the Platform on Sustainable Finance . As a responsible family-run company, Sto respects and supports human rights, including labour and consumer rights. Sto expressly shares the objectives of combating corruption and bribery, as well as promoting fair competition and a fair tax system. This is reflected in its corporate activities. The values for responsible business anchored in the 'Sto Code of Conduct', the 'Supplier Code of Conduct' and the 'Policy statement on Human Rights' relate in particular to the protection of the environment, human rights, labour standards, transparency and the fight against corruption. We put corresponding processes and training into practice throughout the Group through our compliance, purchasing and sustainability departments. A comprehensive description of our activities in this area can be found in Chapter 7 (ESRS S4). Overall, it should be noted that our systems and processes help to ensure compliance with the framework set out in Art. 18 of the Taxonomy Regulation. They are regularly

reviewed for appropriateness and effectiveness and are continuously developed further.

### 2.5.3. Key figures

Companies have to report the share of Taxonomy-eligible and Taxonomy-aligned sales revenues, capital expenditure, and operating expenditure (numerator) in the respective total value (denominator).

#### 2.5.3.1. Key figure: Revenue

The turnover key figure is calculated from the ratio of the sales revenues from Taxonomy-eligible and Taxonomy-aligned economic activities (numerator) to the total sales revenues for the financial year (denominator). The denominator corresponds to the sales revenues given in the IFRS consolidated annual financial statement of the Sto Group and therefore relates to the net turnover connected to goods or services including intangible assets according to IAS 1.82(a). The total sales revenues for the 2024 financial year were EUR 1,612 million (see Annex, Note (1) Revenue). All turnover related to Taxonomy-eligible and Taxonomy-aligned economic activities is relevant for the numerator. To determine the numerator in relation to Taxonomy-eligibility, an analysis has been conducted to establish which of Sto's turnovers declared in the statement of profit or loss are related to Taxonomy-eligible economic activities. A detailed analysis performed at product-family level enabled the turnover items to be uniquely attributed to economic activity 3.5. 'Manufacture of energy efficiency equipment for buildings' or not be attributed. As has already been described, the turnover related to economic activity 3.5. includes the turnover associated with external wall systems. This can be further broken down into turnover associated with external thermal insulation systems, rainscreen cladding facade systems, and facade claddings, which are installed on external wall systems. Added to that is the pro-rated turnover connected with finishing renders, which are sometimes applied to external wall systems. Turnover connected with internal wall systems must be included as well, once again supplemented by pro-rated turnover connected with finishing renders, which, taken as a complete system, contribute to a building's energy efficiency in the same way as an external wall system. In addition, the 'insulation board fixings' and 'adhesives/base coats' product families from the industrial coatings product segment can be declared Taxonomy-eligible, since they are used in external wall systems for industrial application. As outlined above, the processes to fulfil the conformity criteria have been carried out, which is why Sto can report turnover in the amount of EUR 746 million for the 2024 financial year. This means that the Taxonomy-aligned share of turnover amounts to 46.3 %. As a result, the share of Taxonomy-eligible sales revenue fell slightly in comparison to the previous year (48.4 %).

The amounts included in the numerator only relate to economic activity 3.5. 'Manufacture of energy efficiency equipment for buildings' and result primarily from earnings from contracts with customers. Sto does not report any amounts for Taxonomy-aligned activities for its own use under economic activity 3.5. The economic activities associated with Sto's sales revenue are unchanged compared to last year. The reduction in the turnover key figure is mainly due to the lower proportion of turnover that Sto generated with the aforementioned Taxonomy-aligned products in the 2024 financial year.

EU Taxonomy reporting by the Sto Group

## Key figures in accordance with the EU Taxonomy – Turnover

| Economic activities | 2024 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Criteria for a substantial contribution | | | | | | |
| | Code | Turnover | Share of turnover 2024 | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Bio-diversity |
| | | in EUR K | in % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL |
| **A. Taxonomy-eligible activities** | | | | | | | | | |
| **A.1.Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | |
| Manufacture of energy efficiency equipment for buildings | CCM 3.5 | 746,012 | 46.3 % | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| **Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **746,012** | **46.3 %** | **46.3 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** |
| of which enabling activity (E) | | 746,012 | 46.3 % | 46.3 % | 0 % | 0 % | 0 % | 0 % | 0 % |
| of which transitional activity (T) | | 0 | 0 % | 0 % | | | | | |
| **A.2. Taxonomy-eligible, but not environmentally sustainable activities (Taxonomy non-aligned activities)** | | | | | | | | | |
| **Turnover from Taxonomy-eligible, but not environmentally sustainable activities (Taxonomy non-aligned activities) (A.2)** | | 0 | 0 % | 0 % | 0 % | 0 % | 0 % | 0 % | 0 % |
| **A. Turnover from Taxonomy-eligible activities (A.1+A.2)** | | 746,012 | 46.3 % | 46.3 % | 0 % | 0 % | 0 % | 0 % | 0 % |
| **B. Taxonomy non-eligible activities** | | | | | | | | | |
| **Turnover from Taxonomy non-eligible activities** | | 866,299 | 53.7 % | | | | | | |
| **Total A+B** | | 1,612,311 | 100 % | | | | | | |

**Table in accordance with footnote (c) of Delegated Act 2023/2486 Annex V**

| | Share of turnover/Consolidated turnover | |
|---|---|---|
| | Taxonomy-aligned per objective | Taxonomy-eligible per target |
| CCM | 46.3 % | 0.0 % |
| CCA | 0.0 % | 0.0 % |
| WTR | 0.0 % | 0.0 % |
| CE | 0.0 % | 0.0 % |
| PPC | 0.0 % | 0.0 % |
| BIO | 0.0 % | 0.0 % |

Key:
- Y: Yes, activity that is Taxonomy-eligible, and Taxonomy-aligned with the relevant environmental objective
- N: No, activity that is Taxonomy-eligible but not Taxonomy-aligned with the relevant environmental objective
- N/EL: 'not eligible', activity that is Taxonomy non-eligible for the respective environmental objective
- EL: economic activity that is Taxonomy-eligible for the relevant environmental objective
- CCM: Climate Change Mitigation
- CCA: Climate Change Adaptation
- WTR: Sustainable use and protection of water and marine resources
- CE: Circular Economy
- PPC: Pollution prevention and control
- BIO: Protection and restoration of biodiversity and ecosystems

20250904057762

| | DNSH criteria ('Do No Significant Harm') | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum *safeguard* | Share of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) turnover 2023 | Category *enabling* activity | Category *transitional* activity |
| | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | in % | E | T |
| - | Y | Y | Y | Y | Y | Y | Y | 48.4 % | E | |
| - | Y | Y | Y | Y | Y | Y | Y | **48.4 %** | | |
| - | Y | Y | Y | Y | Y | Y | Y | 48.4 % | E | |
| | | | | | | | | **0 %** | | |
| | | | | | | | | **48.4 %** | | |

### 2.5.3.2. Key figure: Capital Expenditure (CapEx)

For the CapEx key figure, the denominator covers capital expenditure in the context of additions to Property, plant, and equipment, and Intangible assets, as well as Rights of use according to IFRS 16 before depreciation/amortisation and any revaluations for the financial year under review and without amendments to the fair value. These amounted to EUR 74.2 million in the 2024 financial year (see Annex, Note (13) Intangible assets, (14) Property, plant, and equipment, (15) Right-of-use assets). The CapEx key figure must be calculated in relation to both Taxonomy-eligible and Taxonomy-aligned economic activities. According to point 1.1.2.2 of Annex I to the Delegated Regulation (EU) 2021/2178, the numerator equals to the part of the capital expenditure that is any of the following:

a) related to assets or processes that are associated with Taxonomy-aligned (or Taxonomy-eligible) economic activities, or
b) part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ('CapEx plan'), or
c) related to the purchase of production from taxonomy-aligned economic activities and individual actions that make the target activities low-carbon or reduce greenhouse gas emissions, in particular from activities listed in points 7.3 to 7.6 of Appendix I to the Delegated Regulation on the EU Climate Taxonomy, as well as from other economic activities specified in the delegated acts adopted in accordance with Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852, provided that those measures are implemented and operational within 18 months.

All the additions were analysed, primarily based on the relevant project descriptions, to determine how far they can be assigned to one of these three categories. The capital expenditure that can be assigned completely to economic activity 3.5. (EUR 1.6 million) is relevant in category a). No relevant capital expenditure was identified in category b), since no CapEx plan was formulated in 2024 in the context of the Taxonomy. In view of the fact that no CapEx plan has been drawn up, no material information is provided. Sto has not identified any economic activities for its capital expenditure that contribute to several environmental goals. The following explanations show that Sto was able to clearly allocate its capital expenditure to economic activities in accordance with the process described, each of which can be clearly assigned to an environmental goal.

The Taxonomy-eligible CapEx in category c) is supplemented by the acquisition of Taxonomy-eligible services and products (EUR 40.7 million). These acquired items can be allocated to the economic activities 'Manufacture of low carbon technologies for transport' (economic activity 3.3), 'Construction of new buildings' (economic activity 7.1), 'Renovation of existing buildings' (economic activity 7.2), 'Installation, maintenance and repair of energy efficiency equipment' (economic activity 7.3), 'Installation, maintenance and repair of electric vehicle charging stations' (economic activity 7.4), 'Installation, maintenance and repair of renewable energy equipment' (economic activity 7.6) and 'Acquisition and ownership of buildings' (economic activity 7.7) from the environmental goal 'Climate change mitigation' and the economic activity 'Manufacture of electrical and electronic equipment' (economic activity 1.2) from the environmental goal 'Transition to a circular economy'. It was also possible to report activities 7.4 and 7.6 Taxonomy-aligned. The reason for this is that these have no technical evaluation criteria and to check the DNSH criteria, only the criteria of Annex I Appendix A in the area of 'Climate change adaptation' need to be met. These have already been ensured as part of the assessment of activity 3.5, so that activities 3.5, 7.4 and 7.6 are Taxonomy-aligned. These achieve their Taxonomy-alignment only through their properties, installation, maintenance or repair and fulfilment of the criteria from Annex I, Appendix A (see previous explanations in Chapter 2.3.2.2. 'Do No Significant Harm (DNSH)') of all locations relevant to these positions. It was ensured via a clear allocation system that the investments related to these economic activities were not also recorded in the determination of the investments related to the Taxonomy-eligible sales revenues. Taxonomy-eligible CapEx (EUR 42.4 million) is primarily made up of capitalised rights of use from assets according to IFRS 16 (EUR 31.5 million), Intangible assets, Property, plant, and equipment (EUR 9.8 million) and changes to the companies consolidated (EUR 1.1 million). The total amount of Taxonomy-eligible but Taxonomy non-aligned capital expenditure totalled EUR 40.1 million, resulting in a Taxonomy-eligible but Taxonomy non-aligned CapEx share of 54.0 %. The share of Taxonomy-eligible but Taxonomy non-aligned capital expenditure has therefore fallen slightly in comparison to the previous year (59.3 %). A quantitative breakdown at aggregated economic activity level for the amounts included in the numerator can be found in the reporting table for the CapEx key figure. The economic activities associated with Sto's capital expenditure are unchanged in comparison to the previous year. The reduction in the CapEx key figure is mainly due to the reduced share of capital expenditure in connection with economic activity 7.7. 'Acquisition and ownership of buildings' in 2024.

For the 2024 financial year, the capital expenditure associated with economic activities 3.5, 7.4 and 7.6 could be recognised as Taxonomy-aligned CapEx. The total amount of Taxonomy-aligned Capital Expenditure totalled EUR 2.3 million, resulting in a Taxonomy-aligned CapEx share of 3.1 %. As a result, the share of Taxonomy-aligned capital expenditure has also fallen slightly in comparison to the previous year (5.1 %).

EU Taxonomy reporting by the Sto Group

## Key figures in accordance with the EU Taxonomy – CapEx

| Economic activities | Code | 2024 CapEx | 2024 Proportion of CapEx 2024 | Criteria for a substantial contribution: Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity |
|---|---|---|---|---|---|---|---|---|---|
| | | in EUR K | in % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL |
| **A. Taxonomy-eligible activities** | | | | | | | | | |
| **A.1.Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | |
| Manufacture of energy efficiency equipment for buildings | CCM 3.5 | 1,635 | 2.2 % | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) | CCM 7.4 | 108 | 0.1 % | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 | 534 | 0.7 % | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| **CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **2,277** | **3.1 %** | **3.1 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** |
| of which enabling activity (E) | | 2,277 | 3.1 % | 3.1 % | 0 % | 0 % | 0 % | 0 % | 0 % |
| of which transitional activity (T) | | | 0 % | 0 % | | | | | |
| **A.2. Taxonomy-eligible, but not environmentally sustainable activities (Taxonomy non-aligned activities)** | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL |
| Manufacture of electrical and electronic equipment | CE 1.2 | 1,765 | 2.4 % | N/EL | N/EL | N/EL | N/EL | EL | N/EL |
| Manufacture of low carbon technologies for transport | CCM 3.3 | 10,989 | 14.8 % | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Construction of new buildings | CCM 7.1 | 3,715 | 5.0 % | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Renovation of existing buildings | CCM 7.2 | 639 | 0.9 % | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 153 | 0.2 % | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Acquisition and ownership of buildings | CCM 7.7 | 22,823 | 30.8 % | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| **CapEx of Taxonomy-eligible, but not environmentally sustainable activities (Taxonomy non-aligned activities) (A.2)** | | **40,084** | **54.0 %** | **54.0 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** |
| **A. CapEx of Taxonomy-eligible activities (A.1+A.2)** | | **42,361** | **57.1 %** | **57.1 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** |
| **B. Taxonomy non-eligible activities** | | | | | | | | | |
| **CapEx of Taxonomy non-eligible activities** | | **31,815** | **42.9 %** | | | | | | |
| **Total A+B** | | **74,176** | **100 %** | | | | | | |

Key:
Y Yes, activity that is Taxonomy-eligible, and Taxonomy-aligned with the relevant environmental objective
N No, activity that is Taxonomy-eligible but not Taxonomy-aligned with the relevant environmental objective
N/EL 'not eligible', activity that is Taxonomy non-eligible for the respective environmental objective
EL economic activity that is Taxonomy-eligible for the relevant environmental objective
CCM Climate Change Mitigation
CCA Climate Change Adaptation

20250904057764

| | DNSH criteria ('Do No Significant Harm') | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum safeguard | Share of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) CapEx 2023 | Category enabling activity | Category transitional activity |
| | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | in % | E | T |
| | - | Y | Y | Y | Y | Y | Y | 3.4 % | | |
| | - | Y | - | - | - | - | Y | 0.1 % | E | |
| | - | Y | - | - | - | - | Y | 1.6 % | | |
| | - | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | **5.1 %** | | |
| | - | Y | Y | Y | Y | Y | Y | 5.1 % | E | |
| | | | | | | | | 2.8 % | | |
| | | | | | | | | 12.7 % | | |
| | | | | | | | | 3.2 % | | |
| | | | | | | | | 2.8 % | | |
| | | | | | | | | 0.4 % | | |
| | | | | | | | | 37.4 % | | |
| | | | | | | | | **59.3 %** | | |
| | | | | | | | | **64.4 %** | | |

WTR Sustainable use and protection of water and marine resources
CE Circular Economy
PPC Pollution prevention and control
BIO Protection and restoration of biodiversity and ecosystems

EU Taxonomy reporting by the Sto Group

**Table in accordance with footnote (c) of Delegated Act 2023/2486 Annex V**

| | CapEx share / total CapEx | |
|---|---|---|
| | Taxonomy-aligned per objective | Taxonomy-eligible per target |
| CCM | 3.1 % | 51.7 % |
| CCA | 0.0 % | 0.0 % |
| WTR | 0.0 % | 0.0 % |
| CE | 0.0 % | 2.4 % |
| PPC | 0.0 % | 0.0 % |
| BIO | 0.0 % | 0.0 % |

### 2.5.3.3. Key figure: Operating Expenditure (OpEX)

For the OpEx key figure, the denominator covers direct, non-capitalised costs related to research and development, building refurbishment measures, maintenance and repairs, and short-term leases according to IFRS 16. The total of this operating expenditure was EUR 46.8 million in the 2024 financial year. The OpEx key figure must be calculated in relation to both Taxonomy-eligible and Taxonomy-aligned economic activities. According to point 1.1.3.2 of Annex I to the Delegated Regulation (EU) 2021/2178, the numerator equals to the part of the operating expenditure that is any of the following:

a) related to assets or processes associated with Taxonomy-aligned (or Taxonomy-eligible) economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development, or
b) part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe, or
c) related to the acquisition of production from Taxonomy-aligned economic activities and to individual actions that make the target activities low-carbon or reduce Greenhouse Gas emissions, as well as to individual building renovation actions, as set out in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852, and provided that those actions are implemented and operational within 18 months.

To determine the numerator, the expenditure recorded in the relevant accounts was examined in terms of its Taxonomy-eligibility. The following can be allocated to category

a) operating expenditure that can be assigned completely to economic activity 3.5. This totalled EUR 11.4 million. In the category
b) no relevant operating expenditure was identified as no CapEx plan was formulated in the context of the Taxonomy in 2024. In view of the fact that no CapEx plan has been drawn up, no material information is provided. The following can be allocated to the category
c) purchases of Taxonomy-eligible products and services with regard to the economic activities 'Renovation of existing buildings' (economic activity 7.2), 'Installation, maintenance and repair of energy efficiency equipment' (economic activity 7.3) and 'Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings' (economic activity 7.5) (EUR 1.6 million).

It was ensured via a clear allocation system that these operating expenses were not also recorded in the determination of the operating expenditure related to the Taxonomy-eligible sales revenues. The following explanations show that Sto was able to clearly allocate its Operating Expenditure to economic activities in accordance with the process described, each of which can be clearly assigned to an environmental goal.

The total amount of Taxonomy-eligible operating expenditure was EUR 1.6 million, which results in a Taxonomy-eligible OpEx share of 3.5 %. The share of Taxonomy-eligible Operating Expenditure has therefore fallen slightly in comparison to the previous year (4.9 %). A quantitative breakdown at aggregated economic activity level for the amounts included in the numerator can be found in the reporting table for the OpEX key figure. The economic activities associated with Sto's Operating Expenditure are unchanged compared to last year. The reduction in the OpEX key figure is mainly due to the proportionately lower operating expenditure in connection with economic activity 7.2 'Renovation of existing buildings'.

For the 2024 financial year, the operating expenditure associated with economic activity 3.5 can be reported as Taxonomy-aligned OpEX. The total amount of Taxonomy-aligned operating expenses was EUR 11.4 million, resulting in a Taxonomy-aligned OpEx share of 24.3 %.

**EU Taxonomy reporting by the Sto Group**

## Key figures in accordance with the EU Taxonomy – OpEx

| Economic activities | Code | 2024 OpEx | 2024 Proportion of OpEx 2024 | Criteria for a substantial contribution: Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Bio-diversity |
|---|---|---|---|---|---|---|---|---|---|
| | | in EUR K | in % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL |
| **A. Taxonomy-eligible activities** | | | | | | | | | |
| **A.1.Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | |
| Manufacture of energy-efficient building equipment | CCM 3.5 | 11,362 | 24.3 % | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| **OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **11,362** | **24.3 %** | **24.3 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** |
| of which enabling activity (E) | | 11,362 | 24.3 % | 24.3 % | 0 % | 0 % | 0 % | 0 % | 0 % |
| of which transitional activity (T) | | | 0 % | 0 % | | | | | |
| **A.2. Taxonomy-eligible, but not environmentally sustainable activities (Taxonomy non-aligned activities)** | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL |
| Renovation of existing buildings | CCM 7.2 | 1,520 | 3.3 % | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 68 | 0.15 % | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 | 34 | 0.07 % | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| **OpEx of Taxonomy-eligible, but not environmentally sustainable activities (Taxonomy non-aligned activities) (A.2)** | | **1,622** | **3.5 %** | **3.5 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** |
| **A. OpEx of Taxonomy-eligible activities (A.1+A.2)** | | **12,984** | **27.8 %** | **27.8 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** |
| **B. Taxonomy non-eligible activities** | | | | | | | | | |
| **OpEx of Taxonomy non-eligible activities** | | **33,778** | **72.2 %** | | | | | | |
| **Total A+B** | | **46,762** | **100 %** | | | | | | |

## Table in accordance with footnote (c) of Delegated Act 2023/2486 Annex V

| | OpEx share / total OpEx | |
|---|---|---|
| | Taxonomy-aligned per objective | Taxonomy-eligible per target |
| CCM | 24.3 % | 3.5 % |
| CCA | 0.0 % | 0.0 % |
| WTR | 0.0 % | 0.0 % |
| CE | 0.0 % | 0.0 % |
| PPC | 0.0 % | 0.0 % |
| BIO | 0.0 % | 0.0 % |

Key:
- Y: Yes, activity that is Taxonomy-eligible, and Taxonomy-aligned with the relevant environmental objective
- N: No, activity that is Taxonomy-eligible but not Taxonomy-aligned with the relevant environmental objective
- N/EL: 'not eligible', activity that is Taxonomy non-eligible for the respective environmental objective
- EL: economic activity that is Taxonomy-eligible for the relevant environmental objective
- CCM: Climate Change Mitigation
- CCA: Climate Change Adaptation
- WTR: Sustainable use and protection of water and marine resources
- CE: Circular Economy
- PPC: Pollution prevention and control
- BIO: Protection and restoration of biodiversity and ecosystems

20250904057766

| | DNSH criteria ('Do No Significant Harm') | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum safeguard | Share of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) OpEX 2023 | Category enabling activity | Category transitional activity |
| | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | in % | E | T |
| - | Y | Y | Y | Y | Y | Y | Y | 27.0 % | E | |
| - | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | **27.0 %** | | |
| - | Y | Y | Y | Y | Y | Y | Y | 27.0 % | E | |
| | | | | | | | | 4.8 % | | |
| | | | | | | | | 0.02 % | | |
| | | | | | | | | 0.04 % | | |
| | | | | | | | | **4.9 %** | | |
| | | | | | | | | **31.9 %** | | |

**EU Taxonomy reporting by the Sto Group**

The following is the template to be disclosed in accordance with the Commission's Delegated Regulation (EU) 2022/1214. Sto has no activities to report in the relevant areas, so no further reporting forms for the disclosure of corresponding economic activities are required.

| Row | | |
|---|---|---|
| | **Nuclear energy related activities** | |
| 1. | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | NO |
| 2. | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | NO |
| 3. | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | NO |
| | **Fossil gas related activities** | |
| 4. | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | NO |
| 5. | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | NO |
| 6. | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | NO |

20250904057767

# ESRS E5 Resource use and circular economy

## 3.1. Management of impacts, opportunities and risks

### IRO-1 Material impacts, risks and opportunities and their interaction with strategy and business model

In order to assess the material impacts, risks and opportunities and their interaction with the strategy and business model in the area of 'Resource use and circular economy', Sto has analysed their interactions with sustainability matters.

The area of 'Resource use and circular economy' comprises the three sub-topics 'Resources inflows, including resource use', 'Resource outflows related to products and services' and 'Waste'.

A detailed explanation of the approach and methodology can be found in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other report disclosures that require reference to the material impacts, risks and opportunities are presented at the level of sustainability matters.

**Resources inflows, including resource use**

For the sustainability matter 'Resources inflows, including resource use', the actual negative impact was

- 'Resource consumption in the upstream value chain'

was identified. Many of the materials that Sto sources have a high resource consumption in their upstream value chain. Examples of this are quartz and sand.

Another actual negative impact is:

- 'Resource consumption in our own production'.

In our own production, the main input factors for value creation are mineral raw materials, marble, quartz sand, cement, and chemical products.

The following were identified as

- 'Financial risks due to rising resource prices'

material risks. Raw materials such as sand and cement in particular have experienced a sharp rise in prices in recent years.

There is also another material risk:

- 'Financial risk due to limited availability of certain input factors'.

Examples include titanium dioxide and preservatives.

The construction sector has a crucial role to play when it comes to resource conservation. It operates very resource-intensively and still predominantly according to this linear principle. Globally, the construction sector uses about 30.0–40.0 % of the resources extracted. To emphasise the importance and commitment of Sto, the circular economy is a central component of the sustainability strategy. The impacts and risks listed result from Sto's business model and the nature of a manufacturing business in the construction sector as well as the upstream supply chain.

In order to address the negative impacts and risks and continue to ensure sustainable corporate success, Sto implemented various actions in the year under review. A detailed description of the actions can be found in Chapter E5-2 'Actions and resources related to resource use and circular economy'.

Sto has implemented various policies, actions and targets to address the management of impacts, risks, and opportunities.

**Resource outflows related to products and services**

No material impacts, opportunities, or risks were identified for this sustainability matter.

**Waste**

No material impacts, opportunities, or risks were identified for this sustainability matter.

### E5-1 Policies related to resource use and circular economy

**Policies related to Resources inflows, including resource use:**

The 'Supplier Code of Conduct' is a policy that addresses the impacts, risks, and opportunities of the sustainability matter 'Resources inflows, including resource use'. This concerns the upstream value chain and must be bindingly recognised by the Sto Group's suppliers. By agreeing to the Supplier Code of Conduct, suppliers undertake to avoid waste and continuously increase resource efficiency.

The 'Supplier Code of Conduct' is intended to promote positive impacts and avoid negative impacts. The Minimum Disclosure Requirement of ESRS 2 for the 'Supplier Code of Conduct' is presented in Chapter 8 (ESRS G1). The policy is indirectly geared towards transitioning away from use of virgin resources, including relative increases in use of secondary (recycled) resources, with Sto using this policy to address the expectation of continuous improvement in resource efficiency to its business partners. In addition, Sto expects suppliers to continuously promote the safe and environmentally compatible development and manufacturing of their products and their packaging.

Sto has not currently implemented a policy that indirectly addresses transitioning away from use of virgin resources, including relative increases in use of secondary (recycled) resources. However, Sto is taking various actions to ensure that this aspect is a central element of the sustainability strategy. In order to substitute the consumption of mineral primary raw materials such as fillers and sands in the medium term, secondary raw materials are actively sought and tested for their suitability for Sto products. Initial results show that the use of fillers classified as recyclates and grains obtained from processed concrete waste is technically possible to a certain extent in some product segments. With regard to the replacement of cement, several projects are currently underway that aim to reduce the proportion of clinker in the products or even to replace cement completely, which will lead to a reduction in the carbon dioxide equivalents of the products. A first example of this is the reinforcing mortar StoLevell Neo AimS®. Overall, the regional availability of secondary raw materials and/or recyclates is currently problematic. The sometimes limited availability may mean that these can only be used temporarily in individual products.

At present, no independent policy aimed at sustainable procurement or the use of renewable resources is applied. These aspects are to be addressed in future via a separate 'Responsible Procurement' policy in purchasing, which is currently being developed. The use of renewable raw materials is currently being examined in Research and Development (R&D), particularly with regard to alternative organic binders (plant-based instead of fossil-based) and in the development of insulation materials, and is already being implemented in production in some cases.

## E5-2 Actions and resources related to resource use and circular economy

**Actions related to resources inflows, including resource use:**
The following actions have been taken by Sto to deal with the impacts and risks in the area of 'Resources inflows, including resource use'.

**Use of recycled materials**
The use of recyclates is an important building block for a successful circular economy and the reduction of virgin resources. During the year under review, Sto implemented various actions to increase the share of recycled materials in its products. Polystyrene (EPS) insulation materials are already comprised of up to 20.0% production and construction waste. Expanded glass lightweight panels from Verotec GmbH consist of more than 80.0 % recycled glass and individual Sto acoustic panels consist of up to 100 % recycled PET fibres. In addition, preference is given to raw materials and building elements that can be fed back into existing circuits as easily as possible. These include, for example, stainless steel and aluminium in the sub-constructions of rainscreen cladding facades. The action relate to all rainscreen cladding facades, primarily affect the geographical areas of Germany and Europe and cover the company's own operational activities as well as the upstream supply chain. It is planned to maintain and expand these on a permanent basis. Progress made and expected in relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

**Return of unused products**
At the Austrian site Villach, unused paints, renders, plasters, and adhesives from inside and outside of Austria are returned to production and processed into our own product with a corresponding recycled content, a synthetic resin adhesive. The proportion of secondary raw materials in the recycled product is 77.0 %. These processes also prove to be advantageous from an ecological and economic perspective: calculations have shown that reuse in Villach is more profitable than disposal at the waste's point of origin, even with longer transport routes. The scope of the action relates to logistics and production processes, it covers the geographical areas of Austria, Slovenia, and Croatia and includes the company's own operating activities as well as the upstream supply chain. The action is to be maintained on a permanent basis. Progress made and expected in relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

20250904057 68

**Working group to optimise recycling**
To optimise recycling and reduce the use of resources in containers and packaging, Sto set up a working group in 2019 to systematically examine various approaches based on the principle of 'reduce – reuse – recycle'. In essence, the working group examines the necessity and required properties of packaging material in terms of the circular economy, for example taking into account transport safety, storage and application on the construction site. The scope of the action relates to human resources, expenses for materials and logistics and the implementation of pilot projects. It primarily affects Germany and Europe and covers the company's own operations as well as the upstream and downstream supply chain. It is planned to maintain the action on a permanent basis. In the case of the reported action, progress was made in the current financial year with regard to the use of recycled materials in containers and the recycling of packaging. Sto expects results in the form of an increase in the quantity and quality of the secondary raw materials used as a result of the future continuation of the action. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

**Conservation of resources in connection with intermediate bulk containers**
In order to reduce the consumption of primary resources, Sto supports the reprocessing of intermediate bulk containers (IBCs) in the area of transport containers, for example. In this way, 495 intermediate bulk containers (IBCs) were reprocessed in 2024. The associated reduction in the use of steel and plastic, amounting to 26.7 tonnes, is equivalent to 53 tonnes of $CO_2$ emissions. In addition, by switching the delivery of two key raw materials from IBCs to tanker lorries at the main site in Stühlingen/Germany, the Sto Group was able to roughly halve the number of deliveries required and the residual quantities due to technical reasons. It is planned to maintain the action on a permanent basis. Progress made and expected in relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

The actions listed contribute to the company's target of 'optimising the circularity of its packaging, material residues, construction site waste and materials in deconstruction'.

## 3.2. Key figures and targets

### E5-3 Targets related to resource use and circular economy

**Targets related to resources inflows, including resource use:**
In order to deal with the effects of impacts, risks and opportunities in the area of 'Resources inflows, including resource use', Sto has set itself the goal of being able to report 20.0 % of the products placed on the market as verifiably circular by 2025 as part of the sustainability strategy adopted in 2021. This target is directly related to Sto's strategic targets in the circular economy and is in line with the company's objectives. The scope covers the company's own business activities, whereby the reference value and the reference year for measuring progress relate to the year 2025, while the target is also dependent on statutory requirements and definitions of circularity, which are still being defined and established at European level. In essence, Sto therefore follows the specifications of the Circular Economy Act (Kreislaufwirtschaftsgesetz, KrWG) in Germany. The focus here is on the areas of 'avoidance', 'reuse' and 'recycling'. A construction product is considered 'circular' if it can be sent for reuse or recycling in accordance with the KrWG. These basic methods are also used for internal circular economy objectives. The extent to which the KrWG is based on conclusive scientific findings cannot be clearly inferred from the act. Against this background, no reliable statement can be made as to the extent to which the target is based on conclusive scientific findings. The KrWG does not specify any ecological threshold values, which Sto has taken into account when setting the target. Furthermore, there is no company-specific breakdown of the target. Although the involvement of stakeholders is not included in the implementation of the KrWG, the perspectives of other stakeholders, such as the DGNB e.V. (German Sustainable Building Council) or the Deutsche Umwelthilfe e.V. (German Environmental Aid Association), as well as requirements from Northern and Western Europe, are also taken into account in the targets and actions. The perspectives of the two associations mentioned are taken into account through oral and written exchanges in workshops, working groups or forums. The achievement of this target is regularly monitored and reviewed by the Sustainability department together with the R&D department and representatives from the various market regions. The progress is in line with the planning from 2021. This is a voluntary target for Sto.

The target relates to waste management, as circular products differ from other products that are not circular in terms of the amount of waste they generate. Sto has not implemented specific targets for increasing the circular material use rate, minimising virgin

resources, and the sustainable procurement and use of renewable resources. However, the aspects mentioned here are a central element in increasing cycle-oriented product design. Other sustainability matters relating to resource use and circular economy were not addressed by separate targets.

## E5-4 Resource inflows

**Resource inflows**

| | | 2024 |
|---|---|---|
| Total weight of materials used (tonnes) | technical materials | 858,075.29 |
| | biological materials | 31,741.43 |
| Share of organic materials that are procured sustainably (%) | | 0.82 |
| Weight of reused or recycled materials (tonnes) | | 8,392.00 |
| Share of reused or recycled materials (%) | | 0.94 |

The most important basic materials sourced by the Sto Group are base materials such as sand, cement, and lime, speciality chemicals and raw materials based on crude oil. Binders and pigments are among the most important input materials in terms of value. The other primary products include insulation materials, mesh and packaging. One of the main types of packaging material is plastic pails.

It is not possible to determine exactly what share of the total resource consumption in the value chain is attributable to the activities of the reporting company. In general, it can be assumed that Sto does not account for a significant share of the world market in terms of the total quantity produced or consumed for any of the raw materials and packaging materials listed.

Sto procures critical raw materials (as defined by the Critical Raw Materials Act / EU Regulation 2024/1252 EN) to a small extent (less than 1 per cent of the total weight). These are the raw materials feldspar, bauxite and barite.

**Methodologies and assumptions**

Most of the data on resource inflows comes from direct measurements. The majority is taken from the SAP system and covers the entire year under review. Companies that are not recorded in SAP have to be queried and integrated manually, which involves extensive processes. Projections were therefore made for 2024. For this purpose, the share of materials recorded in SAP in 2023 was also assumed for 2024 and extrapolated accordingly to the total weight. Only materials that are used in production or that are resold were incorporated; others, such as office equipment, were not taken into account.

To identify the biological material, the materials were analysed at product group level. Only product groups that are clearly identifiable as biological, such as Euro pallets, were assigned to biological material. Product groups that may have a small biological share were not assigned. All non-biological materials were allocated to technical materials.

The share of biological materials that are procured sustainably only includes biological materials that are certified in accordance with the PEFC and FSC certification systems.

To calculate the share, the weight of the biological materials that were sustainably procured was divided by the total weight of the materials used.

Sto applies the cascade principle in connection with biological materials as follows: high-quality use for as long as possible before reuse before recycling before energy recovery. Sto can only influence the actual implementation to a limited extent, as sold products become the property of the buyer, who is responsible for their disposal.

To determine the weight of reused or recycled materials, the product groups containing secondary materials were analysed. In order to be able to determine the quantities of recycled materials, average values customary in the market were used, which were primarily collected on the basis of Environmental Product Declarations (EPDs). The EPDs specify a share of recycled materials. This respective reference share was multiplied by the weight of the respective product groups. Only our own production residues were considered for the survey of reused materials, thus avoiding double counting and overlaps.

To calculate the share, the weight of reused or recycled materials is divided by the total weight of the materials used. The proportion of recycled materials was determined with the help of supplier and product information from the Sustainability, Procurement, and R&D departments.

All key figures reported in Chapter E5-4 'Resource inflows' were collected in January 2025 for the 2024 financial year and subjected to a content-related audit with limited assurance by the auditor. Validation by an external third party is not available.

# ESRS S1 Own workforce

## 4.1. Strategy

**SBM-2 Interests and views of stakeholders**
These disclosures are reported in Chapter 1 (ESRS 2).

**SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**
In order to assess the material impacts, risks and opportunities and their interaction with strategy and business model in the area 'Own workforce', Sto analysed its their with the material sustainability matters. Employees are also at the centre of one of the six strategic areas in the sustainability strategy.

The area 'Own workforce' comprises the three sub-topics 'Working conditions', 'Equal treatment and equal opportunities' and 'Other work-related rights'.

A detailed explanation of the approach and methodology as well as the materiality assessment can be found in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other relevant reporting information is presented at the level of sustainability matters.

Sto's employees include directly employed full-time and part-time staff, managing directors, trainees, interns, and working students. In addition, there are staff members who are not employees who are affected by the significant impacts of the company's activities. This includes labour provided by third-party companies, which includes both the placement and leasing of labour as well as self-employed workers. External labourers generally cover the seasonal peak in demand. All employees who may be affected by material impacts of the company are covered by the disclosures in accordance with ESRS 2. The material impacts of the undertaking's own operations and value chain activities also have a direct impact on the employees in an employment relationship. To develop an understanding of whether individuals with certain characteristics and those who work in certain environments or perform certain activities may be more at risk, Sto takes into account the specific work environment of each worker as well as industry standards.

Beyond that, Sto has not identified any significant effects on the company's own workforce that could arise from plans to reduce negative environmental impacts and promote more environmentally friendly and climate-neutral activities. The actions derived from the climate risk analysis also take into account the concerns of employees, for example protection against flooding or heat. So far, this has not had any material impact. This also applies to actions to reduce $CO_2$ emissions in line with international agreements. Furthermore, Sto has not identified any activities where there is a significant risk of forced labour or child labour, neither in terms of the type of activity nor in the countries or regions in which it operates.

**The well-being, safety and pay of our employees (occupational safety)**
In the context of the working conditions of our own workforce, Sto was able to identify two sustainability matters that summarise the material impacts, risks and opportunities. One of them covers the topics of 'Well-being, safety (including occupational safety) and pay of our employees'.

One actual positive impact that has been identified is:

- 'Employees can cover their own needs and those of their families on the basis of their remuneration, taking into account national economic and social conditions'.

This positive impact results from the remuneration paid by Sto.

Another positive impact is the

- 'high flexibility of employees with regard to organising their working time, and work-life balance'.

Sto offers employees various options for flexible working hours, such as working-from-home models or part-time models. In addition, in cases where a collective agreement exists, the company grants more than the minimum days of leave required by national law.

The positive impact of the

- 'strong sense of belonging and job security for employees'

is summarised in the sustainability matter. Sto has a low number of fixed-term employment contracts and therefore offers secure employment for its employees.

The latter positive impact results in the material opportunity of the

20250904057770

- 'higher productivity in the company through a strong sense of belonging and job security of employees'

  in connection with Sto's own workforce. This opportunity applies to all employees of the company.

  The actual negative impacts under this sustainability matter include:

- 'Selective overload of employees due to peaks in work demand'.

  This negative impact occurs sporadically and is to be classified as the result of individual incidents.

  One potential negative impacts is:

- 'Employees in production, logistics and development face a potential risk to their own health'.

  This can be classified as systemic, as it is associated with the products manufactured by Sto.

  Together, these material impacts and opportunities form the sustainability matter 'Well-being, safety (including occupational safety) and pay of our own employees'. This interacts with the strategy and the business model in different ways. The strategic areas of 'Employees' and 'Health and well-being' are related to the corporate strategy in connection with the sustainability matter. The actual positive impacts of the strategic area of 'Employees' can be attributed to the focal points of HR work 'Fairness of wages', 'Reconciliation of family and working life' and 'Attractiveness as an employer'. The increased productivity can be seen as an opportunity as a result of the corporate strategy. The potential negative impact of selective overload can also be allocated to this strategic area. It is not to be defined as a result of the strategy, but rather as an impulse generator that emphasises the significance of the focal points 'Employer attractiveness' and 'Reconciliation of family and working life'.

  The strategic area of 'Health and well-being' is aimed at dealing with the potential negative impact of jeopardising one's own health. A central aspect of minimising the potential negative impact is the continuous improvement of health and safety, as well as the elimination of serious injuries in the workplace and the low-emission design of products. The cause of the impact can be traced back to Sto's business model. This requires the use of potentially hazardous substances to a small extent.

**Exchange with the employees**
The second sustainability matter in the context of working conditions describes the 'Exchange with the company's own employees'.

  This includes the positive impact:

- 'Employees of all groups are adequately represented in terms of their economic, social and other needs thanks to the high level of collective bargaining agreement coverage'.

  A high percentage of the workforce is covered by collective agreements. There are also various contact persons for employee matters. This impact is not related to and does not originate from the company's business model. Instead, this impact is linked to the strategy attribute 'Partnership'.

**Further development of our own employees**
For the sub-topic 'Equal treatment and opportunities for all', two sustainability matters were identified from the material impacts, risks and opportunities: 'Further development of the company's own employees' and 'Equal treatment'.

The sustainability matter for the further development of our employees includes the actual positive impact:

- 'Employees have the assurance that their development is supported'.

  Sto supports this impact through expenses in training and development programmes.

  In addition, the negative impact

- 'Employees feel that access to training and other performance and career development opportunities is inadequate because they are not provided to everyone'

  was identified. This impact is related to individual incidents and is not considered systemic.

  There is also the risk:

- 'Capacity bottlenecks and a lack of successors in the company due to a shortage of skilled workers and an ageing workforce'.

  This risk applies to all of our own employees and results from their dependency. It can be linked to the business model, as this relies on trained professionals.

The 'Further development' sustainability matter is closely linked to the strategic area of 'Employees'. The focus of the strategic area of 'Developing employee skills' can be understood as a consequence of the actual negative impact and risk. The strategic focus also explains the positive impact.

### Equal treatment

The sustainability matter 'Equal treatment' bundles various material impacts.

An actual positive impact is:

- 'Employees have the assurance that there is little or no gender pay gap'.

  The reason for this is that the gender pay gap is being minimised.

  Another actual positive impact is:

- 'Employees have the assurance that there are principles of conduct and reporting points for incidents of discrimination or other incidents'.

  The workforce can report incidents via a whistle-blower system.

  The actual material negative impact

- 'Female employees do not feel adequately represented in terms of their economic and social needs, due to low gender diversity and the low proportion of women in leadership positions'

  is partly systemic at Sto. The reason for this is the low proportion of women in management positions in the industrial sector in which Sto operates. People of the female gender in the company's own workforce are more severely affected by these impacts.

  Another actual negative impact is:

- 'Due to the low number of people with disabilities, these people do not feel adequately represented with regard to their economic and social needs'.

  This negative impact is also partly systemic. For example, Sto does not fulfil the statutory quota in Germany.

  In addition, another actual negative impact was identified:

- 'Employees see the approach and infrastructure against gender-specific discrimination as in need of improvement, also in the context of an industry-specific risk, and perceive a lack of commitment to diversity on the part of the company'.

  This impact is partly systemic. The low proportion of women in management positions is related to the industry in which Sto operates.

The sustainability aspect pools the effects associated with the strategy areas of 'Transparency & social responsibility' as well as 'Employees'. The positive impact with regard to guidelines and reporting offices can be understood as a consequence of the strategic area of 'Transparency & social responsibility' with a focus on 'Strengthening the compliance culture'. The remaining impacts are related to the strategic area of 'Employees'. The positive impact follows the focus on 'Auditing and ensuring fairness of wages'. Both of these negative impacts can be understood as indications that justify the priorities of 'Reconciliation of family and working life', 'Promoting inclusion and integration' and 'Filling more management positions with women'.

### Other work-related rights – Human rights & Privacy

For the sub-topic 'Other work-related rights', the material impacts, risks and opportunities were pooled under the sustainability matter 'Human rights' and 'Privacy'.

The actual positive impact falls under the sustainability matter 'Human rights':

- 'Employees have the assurance that no human rights violations (child labour and forced labour) take place within the company's own business activities'.

  Sto has introduced a 'Code of Conduct' for its workforce that advocates diversity and opposes discrimination. Furthermore, the Code excludes any and all human rights violations. Sto also has a policy statement on the observance of human rights.

  The sustainability matter 'Privacy' includes the actual positive impact:

- 'Employees have the assurance that their privacy, self-determination and personal freedom are respected in the workplace'.

  The personal information of our own workforce is respected by complying with the applicable data protection regulations as well as autonomy and personal space in the workplace.

  In addition, the following potential negative impact has been determined:

- 'Employees potentially do not have the assurance that their privacy, self-determination, and personal freedom will be respected in the workplace in the future'

  which also falls under this sustainability matter. This impact results from the general risk regarding the

20250904057771

protection of information against loss, unauthorised manipulation, espionage and theft.

Both sustainability matters can be thematically linked to the focus area of 'Systematically strengthening our compliance culture' within the strategic area of 'Transparency & social responsibility'. A key focus in this area is communicating the relevance of the directives and control systems. This includes consistent compliance with legal requirements and internal directives, as well as the promotion of ethical behaviour at all levels of the company.

## 4.2. Management of impacts, opportunities and risks

### S1-1 Policies related to own workforce

**Policies related to the well-being, safety and pay of employees:**
To manage the actual positive and negative impacts, the potential negative impact and the opportunities of the sustainability matter 'Well-being, safety (including occupational safety) and pay of our employees', Sto applies the policies 'General Works Agreement on a flexible working time account (flexi-account)', 'General Works Agreement on mobile working' and 'Occupational safety'. In addition, individual working conditions, such as remuneration, are collectively agreed upon between the Sto Group and its employees by means of 'collective labour agreements'.

Collective agreements apply to the vast majority of employees at Sto SE & Co. KGaA and individual subsidiaries.

Sto's 'collective labour agreements' describe the collective agreements on remuneration. The general targets are the promotion of good working conditions and adequate pay. The collective agreements thus help to address the positive impacts identified in the areas of production, administration and commercial activities. Procedural monitoring of compliance is carried out by the HR department and the workers' representatives. The collective agreements apply to the employees of Sto SE & Co. KGaA and selected subsidiaries. The activities include collective pay and additional statutory leave. The stakeholder groups affected are the employees of Sto SE & Co. KGaA and selected subsidiaries. The collective agreements are the responsibility of Sto SE & Co. KGaA, selected subsidiaries and the parties to the collective agreement. The implementation of the collective agreements, which are standards of third parties, is not an obligation. The interests of stakeholders were taken into account, as the collective agreements are largely based on the statutory minimum wage and the statutory holiday entitlement. The collective agreements are made available via the trade unions, the employers' association and public channels.

The 'General Works Agreement on a flexible working time account (flexi-account)' describes the agreement to make working hours more flexible and to secure employment. The aim is to organise working times in such a way that both employees and the company benefit equally from the advantages of flexible working time arrangements. The aim is to make it possible to react even more flexibly to changing work volumes in the future and to grant both supervisors and employees a high degree of time sovereignty. In addition, seasonal fluctuations can be levelled out so that fixed-term employment contracts can be dispensed with and flexibility can strengthen employment security.

This General Works Agreement applies to all employees of Sto SE & Co. KGaA and StoCretec GmbH at the decentralised locations, in the SalesCentres and in the central divisions at the headquarters Stühlingen-Weizen/Germany. Excluded are executive employees, employees working shifts – for whom separate company agreements apply – and individual employee groups.

Compliance with the agreement is monitored by supervisors, the Works Council and the HR department. The agreement thus helps to address the identified negative and positive impacts as well as the opportunities in the area of secure employment and flexible working hours within the company. The General Works Agreement is the responsibility of the Management of Sto SE & Co. KGaA, the Management of StoCretec GmbH and the General Works Council of Sto SE & Co. KGaA and StoCretec GmbH respectively. The agreement is made available via the 'StoInside' intranet.

The 'General Works Agreement on mobile working' describes the regulations on mobile working. The general target of this agreement are to enable a more flexible organisation of working time and place of work in the private and company interest. In this way, the General Works Agreement helps to address the positive impacts identified in the area of flexible division of labour within the company.

The stakeholder groups affected and the scope of the agreement are all employees of Sto SE & Co. KGaA and StoCretec GmbH who fall within the scope of the General Works Agreement of Flexible Working Time and the Working Time Regulations for the Kriftel/Rüsselsheim, Stühlingen Production and Logistics, Donaueschingen and Tollwitz sites. Trainees are excluded from this agreement and can only work on a mobile basis in individual cases. Compliance with the agreement is monitored by supervisors, the HR

department, the Works Council and, if applicable, the representative body for severely disabled employees. The Management Body of Sto SE & Co. KGaA, the Management Board of StoCretec GmbH and the General Works Council of Sto SE & Co. KGaA and StoCretec GmbH are responsible. The agreement is made available via the 'StoInside' intranet.

The 'Occupational safety' directive is an integral part of all operational functions at Sto. It stipulates that occupational safety is a central and holistic concern. The directive covers ethical, humanitarian, economic and ecological aspects. The main objective is to define the tasks and duties of managers, occupational safety specialists and company doctors in occupational safety. Occupational safety aims to protect the lives and health of employees through prevention, risk assessment and the organization of safe and health-promoting work systems. The stakeholder groups affected by the directive, which covers the entire Sto Group, are individuals from our own workforce. The Internal Audit is responsible for this directive. It is made available via the 'StoInside' intranet.

**Policies in connection with the further development of employees:**
Sto follows the 'Compliance Management Handbook' to manage the actual positive and negative impacts and risks in the further development of the promotion of sensitivity and adequacy in the conduct of its employees.

This includes the processes relevant to Sto. It is intended to support the implementation and continuous improvement of the integrated compliance management system and provide employees with assistance in their day-to-day work. The 'Compliance Management Handbook' promotes the compliance culture, as it serves as an easy-to-understand reference work. Additionally, it creates transparency, as it makes the entirety of compliance regulations tangible for all of a company's stakeholders. It is also intended to strengthen confidence in the company's compliance management system. The training topics and target groups are determined in accordance with the specific compliance risks of the company, taking into account national regulations on co-determination. The 'Compliance Management Handbook' serves as a guideline for the entire Sto Group with the exception of Sto Corp. and its subsidiaries. The Executive Board of STO Management SE is responsible for this directive. Compliance is warranted through training. When the directive was drafted, the interests of stakeholders were taken into account insofar as the directive is based on legal requirements. The 'Compliance Management Handbook' is made available in electronic form via the 'StoInside' intranet and can be accessed by the company's employees at any time.

**Policies related to equal treatment and equal opportunities:**
To manage the actual positive and negative impacts of the sustainability matter of 'equal treatment and equal opportunities', Sto applies the principles of the 'Code of Conduct', the 'Policy statement on Human Rights' and the 'Compliance Management Handbook'.

The 'Code of Conduct' forms the basis for business relationships with external partners, in dealing with the public and in day-to-day interaction within the company. The general target of this directive is to provide support in order to make the right decisions.

In order to combine economic success with social responsibility and protection of the environment and to ensure compliance, the 'Code of Conduct' defines clear behavioural directives for all employees.

It addresses the topics:

- Competition & competition law
- Corruption & bribery, gifts & invitations
- Dealing with customers, information & customers
- Dealing with suppliers and service providers
- Ban on discrimination; interacting respectfully
- Reporting infringements and the reporting system
- Data protection
- Recruitment conditions, employment conditions, working conditions
- Health and safety at the workplace
- Donations and sponsoring
- Child labour, forced labour, and human rights
- Environmental protection
- Climate change mitigation
- Resource protection
- Sustainable economic management
- Circular economy

The 'Code of Conduct' is binding for all employees of the Sto Group. It applies worldwide and is the responsibility of the Executive Board of STO Management SE. Standards of third parties are taken into account in the guideline, as the directive is based on statutory requirements. Compliance is additionally ensured through training. It is made available via the 'StoInside' intranet page and the Sto website.

The 'Code of Conduct' serves as an important guide to ensure that all employees are protected from discrimination and harassment. The topics of promotion of equal opportunities, diversity and inclusion are also addressed in the 'Policy Statement on Human Rights'. In order to prevent, curb and fight discrimination and promote diversity and inclusion, Sto focuses on sensitising and training its employees. Employees receive the 'Code of Conduct' at the beginning of their employment at Sto. This is also communicated both

20250904057772

internally and externally in many places. The 'Code of Conduct' and the 'Compliance Management Handbook' prohibit any form of discrimination. In addition, the 'Policy statement on Human Rights' covers a large number of grounds for discrimination. There are no specific political obligations with regard to inclusion or support measures in favour of groups of people who are particularly vulnerable among the company's own workforce.

The 'Policy statement on Human Rights' is presented in detail in the following section. The 'Compliance Management Handbook' has already been described.

**Policies related to Other work-related rights – Human rights:**
To manage the actual, positive impacts of the sustainability matter of 'Other work-related rights – Human rights', Sto follows the 'Policy statement on Human Rights'.

With its 'Policy statement on Human Rights', Sto is demonstrating a long-term commitment to the protection of human rights. In all business areas and along the value chains, the company is committed to respecting and complying with internationally recognised human rights. This explicitly includes the prohibition of child and forced labour as well as any kind of slavery and discrimination. Sto is also committed to strengthening the freedom of association. Occupational safety, fair wages and protection of the environment are also key concerns for Sto. Sto also rejects forced evictions.

This policy statement aims to promote commitment to and respect for human rights within Sto's global value chain. The Executive Board of STO Management SE monitors compliance with the obligations, while the 'Sustainability' organisational unit is responsible for the operational implementation of the human rights strategy. It is supported by the Material Management and Internal Audit/Compliance departments.

The policy statement applies to all Sto's business activities and employees. It is made available via the 'StoInside' intranet page and the Sto website. Suppliers and business partners are also expected to comply with these principles as an obligation and to implement appropriate processes to respect human rights. Responsibility for this policy statement lies with the Executive Board of STO Management SE. It is made available to all employees of the Sto Group.

**Policies related to Other work-related rights – Privacy:**
Sto applies the 'Data Protection Policy' to manage the actual positive and potential negative impacts of the sustainability matter of 'Other work-related rights – Privacy'.

It describes the principles of data protection, the protection of the rights of affected individuals and the organisation of the data protection management system. The general target of this principle is to protect the personal rights of employees and all business partners. The Internal Audit department is responsible for the principle, it applies to the entire Sto Group.

Compliance with data protection regulations is monitored procedurally. Every supervisor must ensure and monitor that their employees comply with data protection regulations.

The principle is made available via the intranet page 'StoInside'. The stakeholder groups affected are employees, suppliers, business partners and customers.

**Further explanations on respect for human rights:**
The Executive Board of STO Management SE is responsible for monitoring compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises and the 'Policy statement on Human Rights'.

Sto's respect for human rights is based on internationally recognised instruments and principles of leading international organisations such as the International Labour Organization (ILO), the OECD and the UN. These provide a clear orientation framework for the organisation of social and ecological responsibility. The ILO's core labour standards include the OECD Guidelines for Multinational Enterprises and the UN Global Compact initiative with its ten principles. These are used to analyse business activities. Since 2009, Sto has published the results of the annual analysis in the 'UN Global Compact Progress Report'.

The 'Policy statement on Human Rights', 'Code of Conduct' and 'Supplier Code of Conduct' are in line with the United Nations Guiding Principles on Business and Human Rights. These apply to the entire Sto Group and were developed together with the workers' representatives. In addition, compliance with statutory, collectively agreed and company regulations ensures comprehensive protection of fundamental rights. The views of the company's own workforce were incorporated into the drafting of these agreements and regulations in cooperation with workers' representatives. This gave Sto comprehensive insights into the views of its own workforce.

The values for responsible business anchored in the 'Sto Code of Conduct' relate in particular to the protection of the environment, human rights, labour standards, transparency, and the fight against corruption. Corresponding information and topic-specific support are offered selectively in the form of training.

Sto employees can raise and discuss human rights issues in annual appraisal interviews with managers, Group-wide employee surveys, exit interviews and via the reporting system.

In addition, the channels through which concerns can be raised provide remedy for impacts on employees' human rights.

### S1-2 Processes for engaging with own workforce and workers' representatives about impacts

The Head of Human Resources bears operational responsibility for the incorporation of the workforce and ensures that the results are incorporated into the corporate concept.

In order to manage the actual and potential impacts on employees, Sto integrates the views of its own workforce into decisions and actions. The workforce is incorporated both directly and via workers' representatives.

The interests of employees are represented by the Works Council, elected members of the Supervisory Board and relevant interface partners such as specialist departments, Human Resources and workers' representatives, who are directly elected. In order to incorporate the views of employees into decisions and activities, regular meetings are held with workers' representatives such as the General Works Council, the Economic Committee and other committees and bodies. The different formats are described below. These warrant that the perspectives of employees are integrated into Sto's corporate decisions.

**Engagement through training and awareness-raising on the topic of sustainability**

Training and awareness-raising on the topic of sustainability is generally provided through training and information measures for new employees and as needed. They are based on the topicality and relevance of the respective topic. This is a combination of information and consultation.

In the case of specific individual measures, such as energy efficiency activities, product developments or supplier evaluations, there is direct engagement in concrete decisions. The feedback from the general format can only indirectly lead to strategic adjustments or amendments being made to the business model. Employees are therefore informed via other channels such as the Sto intranet 'StoInside' or the 'StoMagazine' about how their feedback has influenced decisions.

The type of incorporation varies depending on the training. In the case of centralised training, Engagement takes place at Group level; in the case of decentralised training, Engagement takes place at the level of the Group companies. Feedback is centralised through coordination between the decentralised departments responsible for conducting the training and the central departments.

**Engagement via the intranet in the 'StoInside' format**

The engagement of employees via the intranet in the 'StoInside' format is continuous and event-driven. This is a combination of information and consultation.

Employees can leave comments on the intranet to respond to posts and address them to the authors via the editorial team. This feedback is recognised and forwarded to the communications department. There is no direct engagement in concrete decisions. The feedback can only indirectly lead to strategic adjustments or amendments being made to the business model. Employees are informed about how their feedback has influenced decisions via other channels such as further 'StoInside' articles or the 'StoMagazine'.

Engagement is carried out for part of the Group, as the 'StoInside' intranet is not accessible in all subsidiaries.

**Communication via the 'StoMagazine' for employees**

Communication via the 'StoMagazine' for employees generally takes place two to three times a year. This is a combination of information and consultation.

Employees can comment on the articles in 'StoMagazine' and address them to the editorial team. These are recognised and forwarded to the responsible bodies. There is no direct engagement in concrete decisions. The feedback can only indirectly lead to strategic adjustments or amendments being made to the business model. Other channels, such as 'StoInside' or other 'StoMagazine' articles, are used to inform employees about how their feedback has influenced decisions.

Engaging a large part of the Group, the 'StoMagazine' is not accessible to all subsidiaries.

**Team meetings**

Team meetings are held on a regular basis, with the frequency depending on the individual needs of

20250904057773

the teams. This is a combination of information and consultation.

Employees have the opportunity to express their views in the form of verbal feedback at team meetings and to address these directly to the team leaders. Direct engagement can take place for decisions that are the responsibility of the team leaders. For other decisions, the feedback is recognised and forwarded to the HR department. In this case, there is no direct engagement in concrete decisions. Employees who have contributed to the decision-making process are informed either directly via their line manager or, in the case of decisions affecting several people, via other channels such as 'StoInside' or 'StoMagazine' about how their feedback has influenced decisions. Engagement takes place at team level.

**Appraisal interviews between employees and their managers**
Appraisal interviews between employees and their managers usually take place once a year. They are a combination of consultation, feedback, target agreement and development planning.

Employees have the opportunity to express their views in the form of verbal feedback in the confidential appraisal interviews and to address these directly to their disciplinary superiors. As part of these discussions, direct engagement in decisions that are the responsibility of disciplinary superiors can take place. For other decisions, the feedback is recognised and forwarded to HR. There is no direct engagement in concrete decisions.

Employees who have contributed to the decision-making process are informed either directly via their line manager or, in the case of decisions affecting several people, via other channels such as 'StoInside' or 'StoMagazine' about how their feedback has influenced decisions.

Engagement takes place through direct exchange between employees and managers.

**Exchange and consultation formats as well as negotiations between the Executive Board of STO Management SE, the HR department, the Works Council and the co-determined Supervisory Board**
Exchange and consultation formats as well as negotiations between the Executive Board of STO Management SE, the HR department, the Works Council and the co-determined Supervisory Board generally take place on an ad hoc basis. This is a combination of information, consultation and co-determination.

Workers' representatives have the opportunity to express the views of employees in the form of verbal feedback and to address them directly. In these formats, in which mainly consultations and negotiations take place, the workers' representatives are usually directly involved in the decision-making processes. The workforce is informed about how their feedback has influenced decisions either via the next events with the Executive Board of STO Management SE, by the workers' representatives or via other channels such as 'StoInside' or the 'StoMagazine'.

Engagement takes place partly at a centralised level with the parties of STO Management SE and partly at a decentralised level with the parties of the subsidiaries.

**Reporting system (whistleblower platform)**
The reporting system is permanently available to employees and is used on an ad hoc basis. This is a form of consultation.

Employees have the opportunity to address various incidents via the reporting system. Depending on the type, these are followed up via defined processes and employees are informed of decisions made or consequences.

Engagement takes place at the level of the entire Group, as the reporting system is accessible to employees in all subsidiaries. It is personally supervised by the Chief Compliance Officer. A detailed description of the reporting system is provided in Chapter G1-1 'Corporate culture and concepts for corporate governance'.

In addition, Sto has appointed officers for severely disabled employees and inclusion officers, whose contact is open to all employees.

**Employee survey**
Employee surveys are conducted on an ad hoc basis. This is a form of consultation.

The survey of employees is intended to contribute directly to aligning HR work even more closely with their needs. Employees have the opportunity to present their views as part of the response. The results are analysed as standard. HR work is then adjusted on this basis in consultation with the Executive Board of STO Management SE. This means that employees are directly engaged in the decision-making process. The workforce is generally informed via channels such as 'StoInside' or the 'StoMagazine' about how their feedback has influenced decisions.

Engagement takes place at the level of the entire Group, as the employee survey is aimed at all employees.

**Exit interviews**
Exit interviews are held on an ad hoc basis when people leave the company's own workforce. This is a form of consultation.

Affected employees have the opportunity to present their views and reasons for their exit verbally. This feedback is recorded by the HR department. There is no direct engagement in concrete decisions. The feedback can only indirectly lead to strategic adjustments or amendments being made to the business model. After their exit, exiting persons do not receive any feedback on the extent to which they have contributed to the decision-making process. Engagement takes place is achieved through direct dialogue between the employees leaving the company and the HR department.

The effectiveness of cooperation with the company's own workforce is evaluated at an annual workshop organised by Sto SE & Co. KGaA in cooperation with the General Works Council. The received feedback is analysed. In particular, the results from the previous employee survey are subject of the discussion.

### S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

In order to identify potential negative impacts on people in the company's own workforce, various dialogue procedures were mentioned in Chapter S1-2 'Processes for engaging with own workers and workers' representatives about impacts'. These formats help to find remedy when material negative impacts on people in the own workforce have already been caused. Regular dialogue between employees and their disciplinary superiors and recurring employee surveys are particularly significant for Sto.

In dialogue with their disciplinary superiors, employees have the opportunity to proactively report any negative impacts or potential negative impacts in a confidential setting. As part of an employee survey, Sto has the opportunity to obtain specific information on any negative impacts that have arisen or may arise, which may not be expressed in other dialogue formats. Targeted questions and the anonymity of the survey make it possible to effectively identify such impacts.

In addition to the dialogue formats, employees can also proactively contact the Works Council members, youth and trainee representatives, representatives for severely disabled employees and inclusion officers as well as other workers' representatives in the event of any negative impacts. These dialogue formats have been implemented at Sto SE & Co. KGaA and other companies.

In addition to the dialogue procedures as a starting point, the reporting system, risk management and internal audits serve to improve negative impacts.

The reporting system, including the directive for protecting whistleblowers from retaliation, is described in detail in Chapter 8 (ESRS G1). The effectiveness of the actions (including via the governance model) to prevent and mitigate adverse impacts with regard to human rights are reviewed by Sto SE & Co. KGaA on an annual and ad hoc basis. This also includes monitoring compliance with principles of conduct. In addition, incoming complaints about possible human rights violations are processed.

As described in Chapter S1-2 'Processes for engaging with own workers and workers' representatives about impacts', Sto has various channels through which employees can express their concerns or needs directly to the company and have them reviewed. These are a central component of internal and external communication and contribute to transparency and openness. These structures are also applied within the corporate due diligence obligations in supply chains and in the area of grievance management. Employees can report violations via the aforementioned channels. They can contact their supervisor, the HR department, the Works Council or the Compliance Officer directly. These channels were set up by the company itself.

Sto also has a procedure for processing complaints in connection with employee matters. The Management Board and the General Works Council have developed principles and targets for responsible and legally correct conduct – known as 'compliance' – in a General Works Agreement.

The aim is to create a secure framework for dealing with business partners, employees, customers, competitors and other external parties in order to prevent breaches of the law and cases of corruption. The principles and targets set out in this works agreement and the compliance organisation are intended to ensure ethical and legal standards between the persons involved.

All employees, including new hires, receive in-house training on compliance, which is provided in the form of regular face-to-face or online seminars. Training is repeated regularly to ensure that knowledge is always up to date. There are also training documents on the reporting system. All information on the available channels can be found on the intranet page

20250904057774

'StoInside'. These procedures support the availability of the channels at the workplace.

The actions taken are monitored and tracked by the Chief Compliance Officer, taking into account the interests of employees. They are reported to the Chief Financial Officer of STO Management SE and approved in advance if required. Monitoring is carried out by Internal Audit, the Compliance department or affected departments such as Human Resources and the Supervisory Board of Sto SE & Co. KGaA.

The effectiveness of the channels through which employees can express their concerns and needs is ensured by establishing and publicising them, as training is provided. Furthermore, the reporting system is used to report incidents, which demonstrates the effectiveness of these channels. Actions for the improvement of employee matters are regularly reviewed and adjusted via the fixed rhythm of dialogue and survey formats.

In order to strengthen the trust of stakeholders and ensure adequate accountability for fair conduct, procedural principles apply that are laid down in directives or comparable documents (e.g. the Compliance Management Handbook). These procedures are available both internally and externally via websites. In addition, there are various contact options that have already been outlined. The procedures and accessibility of the contact channels are a regular part of employee training and are supplemented by FAQs, data protection notices and personal counselling. Regular dialogue with workers' representatives ensures that actions to improve employee interests are continuously monitored and planned adjustments are made.

## S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

**Actions relating to the well-being, safety and pay of our own employees (occupational safety):**
The following actions were taken by Sto to manage the actual positive and negative impacts, the potential negative impacts, and the opportunities of the sustainability matter 'Well-being, safety (including occupational safety) and pay of our employees'.

**Flexible working conditions**
An attractive working environment is created to attract and develop the best talent for the company. This includes cultural and networking initiatives, learning and further training opportunities, performance-related remuneration and additional benefits. Flexible working conditions and work-life balance are particularly important. In order to maintain flexibility in the working conditions of the workforce at Sto SE & Co. KGaA, broad working time corridors were created in compliance with statutory requirements, within which employees can determine their own daily working times. Regulations have also been put in place for mobile working at Sto SE & Co. KGaA.
These actions support the strategic corporate goal 'Committed employees' from the corporate strategy 2025. The scope of the actions fundamentally extends to all Sto companies and covers the company's own operational activities. It is planned to maintain the actions on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Fair pay**
Pay in line with the market and performance is anchored in Sto's human resources instruments. The principles governing remuneration are defined in the Guiding Principles, applicable framework guidelines and collective wage agreements. By belonging to regional collective agreements, for example in Germany, material actions are implemented to create appropriate and competitive working conditions. Income is based on the employee's function or responsibility and depends on their skills as well as individual development and performance. In addition, total income is based on current market conditions and is limited by a variable component with downward and upward caps. Collectively agreed and statutory minimum standards, such as the local minimum wage, also apply. If there are agreements between employers' organisations and trade unions, they are complied with. Personal characteristics such as gender, age, etc. have no influence on remuneration.

These actions support the strategic corporate goal of 'Committed employees'. The scope of the actions fundamentally extends to all Sto companies and covers the company's own operational activities. It is planned to maintain the action on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Accident prevention**
Sto has implemented comprehensive actions to prevent accidents in everyday working life. Safety during commissioning of the production facilities and on the transport and work routes of employees is a top priority for the company. These actions contribute to the company's goal of 'maximum occupational safety and no serious injuries at its own production facilities'. The scope of the actions concerns safety precautions,

all geographical areas and primarily covers Sto's operational activities. It is planned to maintain the actions on a permanent basis.

Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Avoidance of substances that are hazardous or harmful to health**

Sto promotes the health and well-being of customers and users by reducing or avoiding substances that pose a health risk and by developing products that promote health. Sto carries out voluntary emission tests for its interior products and relies on certification by independent and neutral organisations.

Technical, organisational and personal actions are taken to promote the physical and mental health of employees. To this end, care is taken to avoid substances that are hazardous or harmful to health in accordance with the REACH Chemicals Regulation and emissions measurements are carried out in accordance with international standards. The company also follows leading certification systems for sustainable construction. Actions to prevent accidents in everyday working life, particularly during the commissioning of production facilities and on employees' transport and work routes, are a top priority. They support the company's goal of 'maximum occupational safety and no serious injuries at its own production facilities'. The scope of the actions includes the provision of work and protective gear, company subsidies for optical glasses for screen work, emission measurements at production sites, software licences for the 'hazardous substances module', substitution of hazardous substances and product certifications. They cover all geographical areas and include the company's own operations and the upstream and downstream supply chain. It is planned to maintain the actions on a permanent basis.

Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Preventive healthcare and health management**

For preventive health care, there are occupational health services, company doctors and external service providers. The framework is characterised in particular by the membership of the Sto Group's German company in the German Social Accident Insurance Institution for the raw materials and chemical industry (BG RCI). At the Scandinavian companies Sto Scandinavia AB, Sto Danmark A/S, Sto Finexter OY and Sto Norge AS, Shanghai Sto Ltd. in China and Beissier S.A.U. in Spain, the management processes for health, safety and well-being are audited by independent service providers in accordance with ISO 45001. The German companies Sto SE & Co. KGaA, StoCretec GmbH and the Austrian Sto Ges.m.b.H. have each implemented an occupational health and safety management system as part of the integrated management system, which they voluntarily based on ISO 45001. Innolation GmbH and Verotec GmbH align their measures with OHRIS, a management system from the Bavarian State Government for improved health at work and safety of technical installations. Sto SEA Pte Ltd. from Singapore is audited according to the bizSAFE programme. The French companies Innolation S.A.S. and Beissier S.A.S. are certified in accordance with the French standards for corporate responsibility RSE (Responsabilité Sociétale des Entreprises). Sto Corp. in the USA is certified in accordance with OSHA (Occupational Safety and Health Administration).

Company health management includes a wide range of fitness programmes, seminars and campaigns relating to preventive health care and health promotion. Sto offers optional measures that focus on and promote the core topics of exercise, a balanced diet, and a healthy lifestyle. They are implemented through the Group's Fit@Sto initiative and form the framework for comprehensive health management.

The physical and mental fitness of employees is promoted with a wide range of offers at numerous locations, supplemented by comprehensive digital programmes. Fit@Sto includes, for example, regional activities centred around the Sto sports club with various sports activities for employees, as well as a wide range of offers and campaigns such as the recurring apple campaign, which promotes healthy eating and the health of the workforce.

These measures support the corporate strategy with regard to 'Committed employees' as well as the corporate goal of 'Promotion of employees' health through a variety of actions'. The scope of the actions concerns the provision of preventive health care and health management as well as the implementation of certifications. They primarily relate to Sto's companies in Europe, China and North America and comprise the Group's own operating activities. It is planned to maintain the actions on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Sports courses**

The programme for promoting the physical and mental health of employees includes a comprehensive selection of sports courses, health lectures and life coaching sessions. The commitment of the Austrian company Sto Ges.m.b.H., which has combined exercise and health with a sustainability project, deserves

20250904057775

special mention. Sporting team activities were combined with local reforestation projects and beehive sponsorships. In 2023, the focus was on employee health. The 'xund@sto' project was launched, which colloquially stands for gesund@sto (healthy@sto). It included five presentations on the topics of nutrition, exercise and resilience, a health newsletter and an employee project on the topic of 'My source of strength'. A survey of employees at the beginning of 2024 confirmed that the focus issue was well received and revealed a desire to continue it, specifically on the topic of nutrition. Various webinars, newsletters and nutrition tips were offered in 2024, and a continuation of the initiative is planned.

These actions support the strategic corporate goal of 'Committed employees'. The scope relates to the offering of sports courses, primarily at Sto's associates in Germany and Austria, and includes the company's own operational activities. It is planned to maintain the actions on a permanent basis.

Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Training on occupational safety and health protection**

As an employer with production operations and administrative areas, building safe and healthy working environments is deeply rooted in how we at Sto see ourselves as a company. For the company, the warranty of occupational safety and health protection means much more than just complying with statutory regulations. Proactive measures and preventive action are the pillars of precaution. Occupational protection and safety are also important indicators of the trust and motivation of employees. Sto organises international training courses on occupational health and safety and aims to achieve an occupational accident rate of under ten in Germany, i.e. under ten reportable accidents at work or the way to and back from work per 1,000 employees per year ('1,000-man rate'). Hazard identification, risk assessment and the investigation of incidents are carried out in routine processes. Serious accidents are documented, investigated and actions are derived to prevent future accidents. They also support the company's 'Occupational safety' directive. The scope of the actions includes licences for software, e-learning courses and information events on the subject of security at the main site Stühlingen/Germany. They relate to all geographical areas and cover the company's own operating activities. It is planned to maintain the actions on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Health and safety in the workplace**

The corporate objective of safety and health at work serves to protect employees from work-related safety and health risks through actions, means and methods. The aims are to prevent accidents in the workplace and protect the health of the workforce. The regulations of the German Social Accident Insurance Institution for the raw materials and chemical industry (BG RCI) and the Responsible Care initiative are of central importance to Sto. The scope of the actions includes contributions to the employers' liability insurance associations, the software licence: online instructions, the emergency reporting and crisis management control process, a hotline via the service provider WSH GmbH, the revision of the fire brigade plan and the plant fire brigade Stühlingen-Weizen/Germany. The actions relate to all geographical areas and cover our own operational activities and the upstream supply chain, particularly in the transport sector. It is planned to maintain it on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Campaign day**

As part of preventive health measures and to protect the safety of employees, Sto organised a campaign day. On this day, the company's safety organisations, such as the Sto plant fire brigade, company paramedics, safety officers, fire protection assistants and building services, were made aware of safety issues. The employees were able to participate interactively and get involved. The actions support the strategic corporate goal of 'Committed employees'. The scope extends to Sto SE & Co. KGaA and includes operational activities. It is planned to maintain the action on a permanent basis.

Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Management system for safety and health at work (SGA-MS)**

Since 2021, the implementation of the management system for health and safety at work (HSW-MS) has supported Sto in providing safe and healthy workplaces, preventing work-related injuries and illnesses, and continuously improving the performance when it comes to health and safety at work. Possible work-related hazards with the risk of illness are recognised, avoided or reduced through systematic risk assessments.

This action supports the company's goal of 'Maximum occupational safety and no serious injuries at its own production facilities'. The scope includes the activities of a service provider for risk assessments and audits

of statutory requirements through certification audits ( and ISO 9001 and ISO 14001), covers the geographical areas of Germany and includes the company's own operational activities. It is planned to maintain the action on a permanent basis.

Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Sto provides a budget for prevention campaigns and ensures that statutory bodies provide safety-related supervision and occupational medical care. The safety and health of employees is warranted by complying with all statutory requirements. These actions also help to promote positive impacts in the area of occupational safety.

**Actions in connection with the further development of employees:**
The following actions were taken by Sto to deal with the effects of the actual positive and negative impacts as well as the risk of the sustainability matter in connection with the 'further development of our employees'.

**Compliance and IT security training**
In the year under review, mandatory compliance and IT security training was conducted via internal communication platforms and e-learning courses in order to sensitise employees and further develop and strengthen their awareness of compliance and safety standards. They are part of Sto's compliance plan and are applied in more detail in Chapter 8 (ESRS G1). This action supports the strategic corporate goal of 'Committed employees'. The scope covers all geographical areas and includes the company's own operating activities. It is planned to maintain the action on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Development opportunities**
Sto offers employees a wide range of development opportunities to help them achieve their professional targets. The further training measures include language courses, specialist seminars (in-house and external), training courses for project leadership and management, development programmes for managers and individual coaching. There is also a comprehensive learning platform for the systematic transfer of expertise and practised knowledge management. It includes a large selection of learning paths and diverse digital learning content for self-directed further education and provides targeted qualification for employees worldwide. All employees with the appropriate IT infrastructure have Group-wide access to these resources.

The central learning strategy focuses on simplifying the range of digital learning platforms in addition to standardised Group-wide training and HR development solutions with digital self-learning content. This is intended to promote the acceptance of self-directed digital and lifelong learning. The Sto Group's learning platform currently offers 642 different courses in at least six languages. The compliance and security training courses bring the total to 856 courses in at least 14 languages.

The offers for further education and qualification aim at maintaining and developing the professional and personal skills of the employees. In times of constant change, demographic change, and digitisation, education, training, knowledge transfer are crucial for accurate and up-to-date knowledge in the company. Conversely, Sto benefits from the skills of the well-trained specialists and employees, which ensures mutual success.

These actions support the corporate strategy with regard to 'Committed employees'. Actions include a wide range of courses such as language courses and further education programmes. The actions relate to the Sto Group and include our own operating activities. It is planned to maintain it on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Actions related to equal treatment and equal opportunities:**
The following actions have been taken by Sto to deal with the effects of the actual positive and negative impacts of the sustainability matter 'Equal treatment and equal opportunities'.

**Prosecution of cases of discrimination**
The Sto Group views diversity as an enormous potential that is of great importance not only socially and politically, but also economically. As an international company, the promotion of diversity and tolerance is an integral part of our corporate strategy. This is reflected in the support provided to people regardless of ethnic origin, nationality, gender, age, sexual orientation, disability and religion. The 'Sto Code of Conduct' prohibits any form of discrimination. All employees have easy access to information on complaints procedures and can use them to report incidents. Cases of discrimination are consistently pursued at all locations.

These actions contribute to the achievement of the corporate directive 'Code of Conduct' and are

20250904057776

designed to be implemented on a permanent basis. The scope covers awareness-raising and training measures in all geographical areas of the entire Sto Group and encompasses the company's own operational activities. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Training on the significance of guidelines**
Through regular training, Sto communicates the importance of the corporate directives, the 'Code of Conduct' and the management, control and reporting systems to its employees. This strengthens the company's culture of honesty and ensures that it is a daily benchmark for all employees. The actions support the 'Compliance Management Handbook' directive. The scope covers all geographical areas in which Sto is active and includes the company's own operating activities. It is planned to maintain the actions on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Actions related to other work-related rights – Human rights:**
The following actions were taken by Sto to deal with the actual positive impacts of the sustainability matter 'Other work-related rights – Human rights'.

**Training**
The values for responsible business anchored in the 'Sto Code of Conduct' relate in particular to the protection of the environment, human rights, labour standards, transparency, and anti-corruption. The guidelines for acting with integrity, which are binding for all employees, summarise important laws and internal company rules governing conduct in business dealings with third parties, in dealings with the public, and day-to-day interaction within the Group. The 'Policy statement on Human Rights' contains the obligation to respect, strengthen and prevent violations of human rights. Sto calls on all actors along the value chain to respect international human rights. Sto offers relevant information and topic-specific support in the form of training courses. This action supports the corporate directives 'Code of Conduct' and 'Policy statement on Human Rights'. Its scope covers all geographical areas and includes the company's own operations as well as the upstream supply chain. It is planned to maintain the action on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Presentation of the Compliance Management Handbook**
To ensure compliance with laws and regulations, all employees are familiarised with Sto's statutory compliance management handbook by the responsible managing directors. Guidance documents from leading international organisations such as the ILO, the OECD, and the UN provide Sto with a clear framework for shaping social and environmental responsibility. The company uses the ILO Core Labour Standards Conventions, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact Initiative with its ten principles in the analysis of its business trade. This action supports the corporate strategy with regard to 'Committed employees'. It is planned to maintain it on a permanent basis. The scope of the actions relates to the entire Sto Group. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

For the impacts of the sustainability matter 'Dialogue with employees', the dialogue procedures described in Chapters S1-2 'Processes for engaging with own workers and workers' representatives about impacts' and S1-3 'Processes to remediate negative impacts and channels for the own workforce to raise concerns' continued to be implemented in the year under review. With regard to the sustainability matter 'Other work-related rights – Privacy', there were further actions in addition to the implementation of statutory requirements.

The effectiveness of all actions and initiatives for our own workforce is evaluated through employee surveys and the measurement of indicators and key figures. In addition, the key figure of fluctuation confirms the success of Sto's employer brand, which is also confirmed by its good performance in external employer rankings and employee surveys. As part of a Group-wide employee survey, Sto asked around 5,300 employees worldwide to anonymously rate Sto's attractiveness as an employer. Various employee surveys were conducted in the subsidiaries.

Sto employees can use the reporting system to draw attention to material negative impacts in relation to procurement, sales and data use. This is intended to prevent the company's own practices from having or contributing to material negative impacts on employees.

Sto uses the dialogue formats described above to determine which actions are necessary and appropriate in order to respond to certain actual or potential negative impacts on its own workforce.

## 4.3. Key figures and targets

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

**Targets related to occupational safety:**
Sto has set the following targets for managing the potential negative impacts of the sustainability matter 'Well-being, safety (including occupational safety) and pay of its employees'.

**Preventing serious injuries and reducing accidents at work**
One of Sto's targets is to ensure maximum occupational safety and to completely prevent serious injuries at its own production facilities. It is directly related to the strategic targets of the sustainability matter 'well-being, safety (including occupational safety) and pay of our employees' and is in line with the overarching corporate targets. The target level set at Sto SE & Co. KGaA is defined by a work accident rate of less than ten reportable accidents at work or on the way and back from work per 1,000 employees per year ('incident rate per 1,000 people'). The incident rate per 1,000 people for the current year under review is used to measure progress. The causes of accidents are also determined during the analysis. In 2024, the value was 14.8. The aim is to reach the target level in the next financial year.

The methods and significant assumptions used to set the targets are based on the chemical industry's Responsible Care initiative and the average values of the German Social Accident Insurance Institution for the raw materials and chemical industry (BG RCI). Stakeholder engagement in the definition of targets is warranted in that the actions are designed to protect employees and are based on industry initiatives, which are thus indirectly involved. This ensures that all relevant perspectives are taken into account.

The target has not changed. The target is monitored and reviewed by the internal audit. The progress is reviewed at least once a year to ensure that it is in line with the original plan.

**Targets related to equal treatment and equal opportunities:**
Sto has set the following targets for managing the actual positive and negative impacts of the sustainability matter 'equal treatment and equal opportunities'.

**Percentage of women in management positions at the 1st management level**
The aim is to achieve a share of 4.0 % women in management positions at the first management level of the company Sto SE & Co. KGaA. The division heads of Sto SE & Co. KGaA form the 1st management level. This target is directly related to the strategic targets of the sustainability matter 'Equal treatment' and is in line with the overarching corporate targets.

To measure progress, the proportion of women in management positions at the first management level of Sto SE & Co. KGaA in the current year under review is used as a reference value and year. As at 31 December 2024, it was 5.0 %. The target was set for 2025 and was already achieved in 2024.

The methods and significant assumptions used to set the targets include the statutory requirements. Stakeholder engagement in setting targets takes place through political processes, which ensures that all relevant perspectives are taken into account.

The target has not changed. The target is monitored and reviewed by determining the share of women in management positions at the 1nd management level. The progress is reviewed at least once a year to determine whether or not it is in line with the original plan.

**Proportion of women in management positions at the 2nd management level**
Another of Sto's targets for managing the sustainability matter 'Equal treatment' is to achieve a share of 20.0 % women in management positions at the second management level of Sto SE & Co. KGaA. The department heads at Sto SE & Co. KGaA form the 2nd management level and generally report to the division heads. This target is directly related to Sto's strategic targets in the area of employees and is in line with the overarching corporate targets.

To measure progress, the proportion of women in management positions in the 2nd management level of Sto SE & Co. KGaA in the current year under review is used as a reference value and year. As at 31 December 2024, it was 10.7 %. The target is to be achieved by 2025.

The methods and significant assumptions used to set the targets include statutory requirements. Stakeholder engagement in the definition of targets takes place through political processes. This ensures that all relevant perspectives are taken into account.

The target has not changed. The target is monitored and reviewed by determining the share of women in management positions at the 2nd management level. The progress is reviewed at least once a year to determine whether or not it is in line with the original plan.

No measurable results-oriented targets were set for the sustainability matters of 'Well-being, safety (including occupational safety) and pay of own

20250904057777

employees', 'Dialogue with own employees', 'Other work-related rights – Human rights' and 'Other work-related rights – Privacy', as they are part of the general compliance measures that are generally observed. In addition, some policies and actions are part of corporate practice. The effectiveness of the policies and actions is not reviewed in the form of defined targets and indicators.

Sto worked directly with its own workforce and its workers' representatives to define its targets. Involving employees in the actions and processes for implementing the sustainability strategy is a central component of Sto's sustainability goals. The workforce is also involved in works agreements through their representatives.

Sto also continued to work with employees and their representatives through works meetings and the various dialogue formats when tracking the company's performance. The findings or opportunities for improvement arising from the company's performance are identified through the various dialogue formats.

**Methodologies and assumptions**
This Chapter describes how the metrics on working conditions were methodically collected and analysed. In doing so, the company refers to employment relationships, working conditions, the number of employees and labour force and their characteristics as well as the resulting employee fluctuation and the key figures recognised from the health and safety management system.

Sto's employees include directly employed full-time and part-time staff, managing directors, trainees, interns and working students. In addition to employees, data on the labour force also includes workers provided by third-party companies, such as self-employed persons and external skilled workers who cover seasonal additional requirements.

All key figures reported in connection with the standard ESRS S1 'Own workforce' were collected in January 2025 for the 2024 financial year and subjected to a content-related audit with limited assurance by the auditor. Validation by an external third party is not available.

## S1-6 Characteristics of the undertaking's employees

### Employees by type of contract, broken down by country, who account for at least 10 % of the company's total number of employees (Sto Group)

The data on the number of employees by contract type, broken down by the number of employees by country, was taken from the HR systems used to manage employees. The data is given in terms of the number of people and was collected as at the reference date of 31 December 2024. When compiling the data, only countries in which at least 50 employees work for Sto and at the same time employ at least 10 % of the Sto Group's total number of employees were taken into account. According to these criteria, only employees in Germany are recognised.

As at 31 December 2024, the Sto Group employed a total of 5,599 employees worldwide. A breakdown of the number of employees by country and gender can be found in the following tables.

The most representative figure of 5,599, based on the number of employees, can be found in the consolidated annual financial statement of the Sto Group (IFRS) in the Group segment reporting.

**Employees by type of contract, broken down by country, who account for at least 10 % of the company's total number of employees, as at 31 December 2024 (Sto Group)**

| | Germany | In total |
|---|---|---|
| Number of employees (number of persons/FTE) | 3,100 | 5,599 |
| Number of employees with permanent employment contracts (number of persons/FTE) | | 5,266 |
| Number of employees with fixed-term contracts (number of persons/FTE) | | 333 |

The table above shows that Germany is the only country with employees accounting for at least 10 % of the company's total workforce. There are 13 on-call employees in the Sto Group without guaranteed working time. They are not part of the Sto Group's total number of employees.

**Fluctuation**
Group companies report how many employees have joined or left the respective company. The fluctuation rate is determined by the employee fluctuations in the year under review in relation to the average number of permanent employees (determined on a monthly basis). Employee fluctuation takes into account terminations by both the employee and the employer, retirement and the death of employees. Employee fluctuation is stated in terms of the number of persons and was recorded as at 31 December 2024.

In the 2024 financial year, a total of 693 employees left the Sto Group. This corresponds to a fluctuation rate of 12.98 %. As at the reporting date, the Sto Group did not record any mass redundancies or major job cuts.

ESRS S1 Own workforce

**Fluctuation**

| Total fluctuation | 2024 |
|---|---|
| the total number of employees who left the company during the reporting period | 693 |
| Fluctuation rate (%) | 12.98 |

**Employees by type of contract, broken down by gender**

The data on employment relationships comes from the corresponding personnel systems of the Group companies. They are transmitted to Sto SE & Co. KGaA together with the number of employees and their characteristics. These are actual figures. No estimates or projections are made by the Sto Group. The number of employees is also stated in terms of the number of persons and is reported as at the reference date of 31 December 2024.

Employees with fixed-term employment contracts also include trainees.

On-call employees at Sto are essentially mini-jobbers who are not included in the total number of employees. On 31 December 2024, the Sto Group had 13 on-call employees. Of these 13 on-call employees in the Sto Group, 7 are female and 6 are male.

**Employees by type of contract, broken down by gender**

| Reporting period | Female | Male | Divers | Not specified | Total |
|---|---|---|---|---|---|
| Number of employees (number of persons/ FTE) | 1,402 | 4,197 | - | 0 | 5,599 |
| Number of employees with permanent employment contracts (number of persons/ FTEs) | 1,321 | 3,945 | - | 0 | 5,266 |
| Number of employees with fixed-term contracts (number of persons/ FTE) | 81 | 252 | - | 0 | 333 |

The most representative figure of 5,599, based on the number of employees, can be found in the consolidated annual financial statement of the Sto Group (IFRS) in the Group segment reporting.

**Number of employees by gender, gender distribution at top management level, distribution of employees by age group**

The data on employment relationships and their position are taken from the corresponding personnel systems of the Group companies. They are transmitted to Sto SE & Co. KGaA together with the number of employees and their characteristics. These are actual figures. No estimates or projections are made by the Sto Group. The number of employees is also stated in terms of the number of persons and is reported as at the reference date of 31 December 2024.

**Number of employees by gender**

| Gender | Number of employees (number of persons) |
|---|---|
| Male | 4,197 |
| Female | 1,402 |
| Divers | - |
| Not specified | 0 |
| Total number of employees | 5,599 |

**S1-8 Collective bargaining coverage and social dialogue**

The data on collective bargaining coverage is based on a query of Group companies conducted as at the reference date of 31 December 2024. They include the number of employees covered by collective agreements. For the recognition of the overall percentage, the Group companies are asked whether they have employee representatives and how many employees are represented by them. The responses are aggregated at Group level and the rate is calculated.

At Sto SE & Co. KGaA and selected Group companies, working and employment conditions for employees who have a direct employment relationship with companies in the Sto Group are also defined by collective agreements. Workers who are not covered by the collective bargaining agreement, for example senior executives, were not included in the employees covered by the collective bargaining agreement, even if parts of the collective bargaining agreement regulations, such as standard working hours, apply to them.

When compiling the data, only countries in which Sto has at least 50 employees accounting for at least 10 % of the company's total number of employees were taken into account. According to these criteria, only employees in Germany are listed.

20250904057778

**Collective bargaining coverage and social dialogue**

| Coverage rate | Collective bargaining coverage | | Social dialogue |
|---|---|---|---|
| | Employees – EEA8 (for countries with >50 employees accounting for >10.0 % of the total) | Employees – non EEA countries (estimate for regions with >50 employees, representing >10.0% of the total) | Workplace representation (EEA only) (for countries with >50 employees representing >10.0% of the total) |
| 0.0 % – 19.0 % | | | |
| 20.0 % – 39.0 % | | | |
| 40.0 % – 59.0 % | | | |
| 60.0 % – 79.0 % | | | |
| 80.0 % – 100.0 % | Germany | | Germany |
| Share of employees covered by collective agreements in % of the company's total employees | | | 70.7 |

* EEA=European Economic Area

In the financial year 2024, 70.7 % of all employees in the Sto Group were covered by collective agreements. However, there are no agreements within the Group regarding the representation of employees by a European Works Council, a Societas Europaea (SE) or a Societas Cooperativa Europaea (SCE).

Coverage by collective agreements and workers' representatives is presented in tabular form. In Germany, 88.0 % of the Sto Group's employees are covered by collective labour agreements. The overall percentage of employees in Germany covered by workers' representatives is 99.1 %.

The Sto Group has several collective agreements in the European Economic Area. 82.2 % of employees in the European Economic Area are covered by collective agreements.

## S1-9 Diversity metrics

**Gender distribution at the top management level as at 31 December 2024**

| | Female | Male | Divers | In total |
|---|---|---|---|---|
| **1st Management level** | | | | |
| Gender distribution (number) | 0 | 6 | - | 6 |
| Gender distribution (in %) | 0.0 | 100.0 | - | 100.0 |
| **2nd Management level** | | | | |
| Gender distribution (number) | 2 | 47 | - | 49 |
| Gender distribution (in %) | 4.1 | 95.9 | - | 100.0 |

The top management level in the Sto Group is made up as follows:

First management level: Members of the Management of Sto SE & Co. KGaA
Second management level: division heads and heads of sales regions at Sto SE & Co. KGaA and managing directors of the subsidiaries

**Distribution of employees by age group**

| | 2024 |
|---|---|
| Share of employees under 30 (in %) | 13.9 |
| Share of employees aged between 30 and 50 (in %) | 46.4 |
| Share of employees over 50 (in %) | 39.7 |

## S1-10 Adequate wage

In order to determine whether the employees of the Sto Group receive adequate wages, the relevant data was requested from the subsidiaries. In this context, the lowest hourly wage of a Group company was compared with the respective reference values for an adequate living wage. This made it possible to determine whether the wages were above the corresponding reference values. The data was collected in January 2025.

The Sto Group attaches great importance to adequate wages for employees in line with the statutory framework. In the 2024 financial year, the remuneration of all employees within the Group was above the adequate wage in the respective countries. The key figures were collected in January 2025 for the 2024 financial year.

## S1-14 Health and safety metrics

### Occupational safety

The Sto Group is responsible for protecting employees and the labour force and for creating a safe and healthy working environment in accordance with applicable international standards. To implement this in the best possible way, the Group monitors incidents within the workforce using health and safety management systems. The aim is to review the number of work-related injuries and illnesses and, if necessary, implement actions to reduce these incidents.

In order to determine how many employees within the Sto Group are covered by a health and safety management system, a query is conducted at the Group companies. This was carried out for the 2024 financial year. The data is then summarised and the percentage calculated at Group level. The same method is used to determine the number of accidents at work and the total number of days lost and work-related fatalities. Employees are defined as those who are directly employed by the Sto Group.

In the 2024 financial year, 99.5 % of the Sto Group's employees were covered by the health and safety management system. A total of 81 work-related accidents subject to reporting obligations were registered, resulting in a rate of 9.54 work-related accidents per 1,000,000 hours worked. No deaths related to work-related injuries and illnesses were recorded.

The following table provides a breakdown of the figures shown. For the reporting year 2024, the Sto Group only collected data for employees. The fatalities also include the workers in the value chain at the Sto Group's locations.

**Occupational safety**

| | 2024 |
|---|---|
| **Management system for health and safety** | |
| Percentage of the company's employees covered by the company's health and safety management system based on statutory requirements and/or recognised standards or principles | 99.5 |
| **Number of deaths attributable to work-related injuries and illnesses** | |
| Total number of deaths (employees) | 0 |
| Total number of fatalities (Workers in the value chain) | 0 |
| **Number and rate of reporting obligations for accidents at work** | |
| Reporting obligations for accidents at work (employees) | 81 |
| Rate of reporting obligations for accidents at work (employees) | 9.54 |

## S1-16 Compensation metrics (pay gap and total compensation)

### Remuneration

The data on remuneration comes from the corresponding personnel systems of the Group companies. They are transmitted to Sto SE & Co. KGaA together with the number of employees and their characteristics. These are actual figures. No estimates or projections are made by the Sto Group. The number of employees is also stated in terms of the number of persons and is reported as at the reference date of 31 December 2024.

All salary components, such as basic salary, bonuses received or benefits in kind, were taken into account when calculating the key figures in connection with remuneration. The average hourly wage was calculated on the basis of an employee's target working time in order to avoid misstatement due to paid holidays. Paid overtime has been supplemented accordingly. The data originates from the HR systems and was recognised and merged at the subsidiaries.

The gender pay gap shown is unadjusted. The pay gap is therefore mainly due to the fact that management positions in the Sto Group are predominantly held by men, also due to the nature of the industry. The gender pay gap is therefore not meaningful.

Sto pursues the global goal of paying equal pay for equal work regardless of gender. A high level of collective bargaining coverage guarantees that people in the different pay groups do not experience any gender-specific disadvantages.

When calculating the median annual total remuneration, the total remuneration of the highest-paid individual was not incorporated. The Executive Board of STO Management SE was not included due to the company's legal structure.

**Remuneration**

| | 2024 |
|---|---|
| Ratio of the annual total remuneration of the highest-paid individual to the median annual total remuneration of all employees | 9.6 |
| **Pay gap (gender-specific)** | |
| Difference between the average income of female and male employees, expressed as a percentage of the average income of male employees | 15.1 |

20250904057779

## S1-17 Incidents, complaints and severe human rights impacts

### Incidents/complaints related to human rights and total amount of fines, sanctions and payment of damages resulting from incidents and complaints

The data on incidents and complaints as well as fines, sanctions and compensation payments in connection with human rights were collected from the Group companies and collated. In addition, all cases reported via the reporting system were analysed. When merging the data, any double counting was eliminated. The survey was conducted for the 2024 financial year.

There is no tolerance for discrimination, including harassment, in the Sto Group. Accordingly, reported cases are followed up immediately in order to resolve them as quickly as possible.

**Incidents/complaints related to human rights**

| | 2024 |
|---|---|
| Total number of cases of discrimination including harassment reported during the reporting period | 3 |
| Number of complaints submitted through the channels available to the company's employees to express their concerns | 0 |
| Number of complaints filed with the OECD National Contact Points for Multinational Enterprises by the company's workforce | 0 |
| Number of serious human rights violations and incidents involving the company's workforce | 0 |
| Number of serious human rights violations and incidents involving the company's workforce that violate the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises | 0 |

There were no convictions or fines for human rights-related incidents or complaints in the year under review. Therefore, there is no reconciliation of the cash amounts disclosed to the most meaningful amount disclosed in the financial statements.

**Total amount of fines, sanctions and compensation payments resulting from incidents and complaints**

| | 2024 |
|---|---|
| Total amount of fines, sanctions and compensation payments resulting from incidents and complaints in EUR | 0 |
| Total amount of fines, penalties and compensation payments for human rights incidents involving the company's workforce in EUR | 0 |

# ESRS S2 Workers in the value chain

## 5.1. Strategy

**SBM-2 Interests and views of stakeholders**
These disclosures are reported in Chapter 1 (ESRS 2).

**SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**
Sto has analysed the interactions with the sustainability matters in order to assess the material impacts, risks and opportunities and their interaction with the strategy and the business model in the area of 'Workers in the value chain'.

The area 'Workers in the value chain' comprises the three sub-topics 'Working conditions of employees in the value chain', 'Equal treatment and opportunities for all employees in the value chain' and 'Other work-related rights of employees in the value chain'.

A detailed explanation of the approach and methodology as well as the materiality assessment can be found in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other report disclosures that require reference to the material impacts, risks and opportunities are presented at the level of sustainability matters.

With regard to the standard ESRS S2 'Workers in the value chain', Sto identified various material impacts as part of the materiality assessment, but no material opportunities and risks. Needs for adjustments to the business model were identified from the analysis of impacts.

Workers in the value chain at Sto also include workers who work at the company's locations but are not part of its workforce. Among others, this includes employees who work in the silo washing plant. These are neither self-employed persons nor employees provided by third-party companies. They belong to a company that is associated with Sto SE & Co. KGaA, as Sto has a significant influence on its business and financial policy. In addition, the value chain workforce also includes workers who work for companies in the upstream and downstream value chain. All workers in the value chain that are likely to be affected by material impacts of the company are covered by the disclosures according to ESRS 2. Impacts related to the company's own business activities, value chain, products or services and business relationships are incorporated.

### Working conditions of employees in the value chain

In connection with the area of 'Workers in the value chain', the potential positive impact

- 'Employees in the value chain potentially have the assurance that Sto respects adequate working time'

was identified. It results from Sto's sustainability strategy, which includes explicit corporate goals such as 'observing and protecting human rights' and 'implementing compliance and fairness'. This impact is allocated to the strategic area of 'Transparency & social responsibility'. It strengthens the strategic direction in this area and emphasises its significance.

One potential negative impact is:

- 'Employees in the value chain are potentially affected by risks relating to working time'.

This impact is anchored in the 'Transparency & social responsibility' strategy field. Its implementation also has an impact on the value chain, as requirements are placed on suppliers. This impact does not result from Sto's business model.

The actual positive impact

- 'Employees in the value chain have the assurance that Sto respects the warranty of occupational safety'

was identified. The impacts result from the sustainability strategy, which includes explicit corporate targets such as 'respecting and protecting human rights' and 'implementing compliance and fairness'. It influences the strategy and is anchored in the 'Transparency & social responsibility' strategic area. The implementation of the strategy also has an impact on the value chain, as it places demands on suppliers.

Another potential negative impacts is:

- 'Employees in the upstream value chain face potential dangers in terms of occupational safety'.

This impacts the situation of workers in the upstream value chain. It is linked to and results from Sto's business model. It therefore influences the strategy and the business model and leads to its adjustment. It is allocated to the 'Transparency & social responsibility' strategic

20250904057780

area. Various plan adjustments and actions have been taken to minimise or prevent the negative impacts.

Sto's activities lead to two material positive impacts with regard to the sustainability matter 'Working conditions of employees in the value chain'. Various measures for occupational safety implemented by Sto at suppliers contribute to the material positive impact. This includes dialogue with suppliers and the obligation to provide verification of occupational safety and, where applicable, binding agreements. In addition, the 'Supplier Code of Conduct' is intended to contribute to the protection of the workforce and respect for human rights. By signing this document, suppliers commit to comply with it. In addition, Sto promotes the further development of suppliers by recognising certain certificates. Further preventive measures are planned to reduce the risk of working time violations in the value chain. These preventive measures include the expansion of supplier evaluation and supplier dialogues using specific IT-based platform solutions.

**Equal treatment and equal opportunities for all employees in the value chain**
The following potential negative impacts were identified in the materiality assessment as part of the sustainability matter 'Equal treatment and opportunities for all employees in the value chain':

- 'Employees in the value chain are potentially affected by risks relating to equal treatment and discrimination'.

  This impact is not directly linked to or results from Sto's business model, as the impact on the situation of the value chain workers is not directly caused by Sto's business practices. This impact is allocated to the strategic area of 'Transparency & social responsibility'. Various adjustments and actions are taken to mitigate or prevent this.

  The negative impacts associated with workers in the value chain occur in the context of individual incidents. To prevent systematic incidents, Sto uses the IntegrityNext platform, through which suppliers with potential risks are surveyed on relevant topics using standardised questionnaires. IntegrityNext is a platform that aims to achieve positive effects in the supply chain by providing insights into suppliers' sustainability performance using various applications and tools.

  In addition, a final risk assessment is used to agree on further actions if necessary.

  Based on the formulation of the material impacts, it is clear that Sto has developed an understanding of the extent to which workers in the value chain with certain characteristics may be more affected by them. This applies in particular to workers in the value chain who work in a certain environment or carry out certain activities.

  There is no significant risk of child or forced labour in Sto's supply chain. Sto is not one of the industries under observation by IntegrityNext in this regard. Although Sto has locations and subsidiaries in countries with an increased risk of child or forced labour, a detailed analysis in accordance with the Act on Corporate Due Diligence Obligations in Supply Chains shows that there is no significant such risk with regard to Sto's operations.

**Other work-related rights of employees in the value chain**
No material impacts, opportunities, or risks were identified for this sustainability matter.

## 5.2. Management of impacts, opportunities and risks

### S2-1 Policies related to value chain workers

The following policies are primarily aimed at and fully cover the upstream value chain workers. Workers in the upstream value chain were identified as being particularly affected in the course of the materiality assessment.

**Policies related to working conditions of employees in the value chain and equal treatment and opportunities for all employees in the value chain:**
Sto applies the 'Supplier Code of Conduct' policy to manage the material impacts of the sustainability matters of 'Working conditions for employees in the value chain' and 'Equal treatment and opportunities for all employees in the value chain'.

Sto uses the 'Supplier Code of Conduct' to define the requirements for responsible business practices, human rights and labour standards. Through this Code of Conduct for suppliers, Sto obliges its business partners not to restrict the access to adequate food, clothing, water and sanitary installations in the workplace and to comply with internationally recognised occupational safety standards. In addition, the Supplier Code of Conduct explicitly mentions and prohibits forced labour and child labour. There is an explicit ban on modern slavery, including human trafficking. The 'Supplier Code of Conduct' is in line with the applicable ILO standards. It does not contain any provisions that address uncertainties or precarious employment relationships. In accordance with the Minimum Disclosure Requirement of ESRS 2, the policy is presented in more detail in the Disclosure Requirement disclosure in Chapter 8 (ESRS G1). Workers in the value chain were not directly incorporated into the drafting of the Supplier Code of Conduct.

**Policies related to Equal treatment and opportunities for all employees in the value chain:**
Sto applies the 'Policy statement on Human Rights' policy specifically for managing the negative impacts of the sustainability matter 'Equal treatment and opportunities for all employees in the value chain'.

In the 'Policy statement on Human Rights', Sto undertakes to draw up a roadmap for greater transparency and social responsibility in procurement. Sto already carries out standardised risk analyses for direct suppliers. By 2026, information on the sustainability of suppliers is to be consistently available in the procurement systems and the majority of raw materials are to be procured from sources that can demonstrate a responsible approach to human rights, labour standards and transparency. In accordance with the Minimum Disclosure Requirement of ESRS 2, the 'Policy statement on Human Rights' has already been presented as part of the Disclosure Requirement in Chapter 4 (ESRS S1). The 'Policy statement on Human Rights' prohibits all forms of slavery , including human trafficking .

As described in Chapters 4 (ESRS S1) and 8 (ESRS G1), Sto is committed to complying with the 'Policy statement on Human Rights' and the 'Supplier Code of Conduct'. The human rights of employees in the value chain are taken into account by the 'Policy statement on Human Rights' and the 'Supplier Code of Conduct'.

In 2024, no cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises were reported at Sto. The information on reported cases relates to workers in the value chain upstream and downstream.

In cases where the company's business activities cause or contribute to actual human rights violations, Sto is under obligation to implement effective remedies. Possible actions to remedy human rights violations include changing suppliers, dialogue formats, agreements on improvement measures and cooperation with authorities and non-governmental organisations. Sto consults the 'Human Rights and Business Dilemmas Forum' at UN Global Compact, among others.

Through the implementation of the annual risk analysis, actions have been defined in Purchasing in the event that a supplier poses a potential risk to respect for human rights. Sto endeavours to prevent negative impacts and provide remedies for negative impacts on human rights by conducting surveys and awareness training at suppliers and requesting appropriate certificates.

Workers in the value chain can also use the reporting system to report possible or actual violations of human rights, enabling remedy in the event of negative impacts on human rights.

In 2023, Sto developed a centralised purchasing strategy in order to systematically implement the targets defined in the Group strategy. One key component is the consideration of sustainability matters, particularly with regard to the Act on Corporate Due Diligence Obligations in Supply Chains. Sto intends to establish and implement this policy throughout Europe over the next few years.

## S2-2 Processes for engaging with value chain workers about impacts

At Sto, transparency and social responsibility begin at procurement. Long-standing cooperation with the most important suppliers and active procurement management ensure security of supply at all of the Group's production facilities. Through annual meetings with suppliers, on-site meetings and, if necessary, negotiation meetings, Sto gains insights into the views of particularly vulnerable workers in the value chain. Purchasing works primarily with the respective sales representatives of suppliers and business partners. As a result, Sto does not directly involve value chain workers and their views in its activities and decisions. The effectiveness of cooperation with workers in the value chain is assessed, for example, through on-site visits to suppliers. Workers in the value chain are also involved through various dialogue formats:

**Workshops and seminars**
Workshops and seminars are organised on an ad hoc basis and often as part of association activities. This is a combination of information, consultation and feedback.

There is no direct engagement in concrete decisions. The feedback and findings are indirectly incorporated into decisions and development planning, for example with regard to avoiding risks in procurement.

**Supplier surveys and evaluations**
Supplier surveys and evaluations are conducted digitally on an ongoing basis and in person as part of annual and negotiation meetings. This is a combination of information, feedback, target agreement and development planning.

Direct engagement in concrete decisions is sometimes carried out as part of annual and negotiation meetings.

**Use of and awareness of supplier platforms**
Sto continuously focuses on the sensitisation and use of supplier platforms. This is a form of information, sometimes also consultation and feedback.

20250904057781

There is no direct engagement in concrete decisions. The information and findings are incorporated into the supplier evaluation and associated development planning.

**Close and regular dialogue on the 'Supplier Code of Conduct'**
A close and regular exchange on the 'Supplier Code of Conduct' is implemented through the obligation to recognise the 'Supplier Code of Conduct', as part of the annual meetings and on an ad hoc basis when the code is revised. In it, Sto demands that its suppliers uphold freedom of association and respect human rights in the supply chain. It also calls for workers in the supply chain to be paid adequately. The exchange is a combination of information, consultation and feedback.

There is no direct engagement in concrete decisions. The information and feedback flow into development planning.

The Materials Management department and Chief Technology Officer of STO Management SE, in cooperation with the Compliance and Sustainability departments, bear operational responsibility for ensuring that workers in the value chain are involved and that the results from their engagement are incorporated into the corporate concept.

Sto also educates itself about risks and working conditions in the supply and value chain through specialist seminars and associations of which Sto is a member.

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

The remedies in the event of actual material impacts are implemented and monitored using an ActionPlanner. The effectiveness of the remedies is reviewed again at the latest in the course of the annual risk analysis. In addition, Sto is under obligation to implement effective remedies if its business activities cause or contribute to actual human rights violations. Workers in the value chain can address their concerns or needs as well as negative impacts directly to Sto via the reporting system. These comments and concerns are carefully reviewed and addressed as part of the process. Workers in the value chain can access the reporting system directly via the Sto website or using a QR code in the 'Supplier Code of Conduct'. The reporting system is communicated both internally and externally, for example via the Sto website, to ensure widespread awareness. One material aspect of the system is the protection of whistle-blowers. Accordingly, reports and information can also be submitted anonymously. The tracking and monitoring of issues raised and addressed and ensuring the effectiveness of the reporting system is described in Chapter 8 (ESRS G1). As Sto mainly sells its goods directly and strives to maintain a partnership-based relationship with its suppliers, there is close personal contact with customers and suppliers. A high level of trust in Sto's structures can therefore be assumed.

The way in which problems that have been raised and addressed are tracked and monitored, and how the effectiveness of the reporting system is ensured, is discussed in detail in Chapter 8 (ESRS G1). Among other things, it describes the engagement of the intended target users and stakeholders and explains the process for improvement of negative impacts and the channels through which workers in the value chain can raise concerns.

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

**Actions related to working conditions of employees in the value chain:**
Sto has taken the following actions to manage the material negative impacts of the sustainability matter 'Working conditions of employees in the value chain' and to promote the positive impacts of this sustainability matter.

**Risk management system for materials management**
The materials management risk management system is crucial for compliance with the targets of the Supplier Code of Conduct. It enables potential risks at suppliers to be recognised at an early stage. As soon as these are identified, the lead buyer and the Procurement Excellence department take appropriate actions and monitor the supplier concerned.

In 2023, Sto expanded the company-wide risk management system for materials management in order to better recognise adverse impacts on human rights in the supply chain and environmental risks. A new process for the annual external risk analysis was implemented, which enables a more comprehensive and precise assessment of risks. This further strengthens transparency and social responsibility in the supply chain. The scope of these actions relates to human resources and IT costs and concerns the geographical areas of all suppliers that are recognised centrally at Sto SE & Co. KGaA. They include the upstream supply chain, whereby standardised risk analyses are carried out at Sto's direct suppliers. The company-wide risk management system for materials management is an important building block in the implementation of the Act on Corporate Due Diligence Obligations in Supply Chains and was continuously expanded in the 2024 financial year. It is to be maintained permanently in

order to ensure a sustainable and responsible supply chain. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Sto's materials management's risk management system is used to prevent or detect and subsequently mitigate material impacts on workers in the value chain. Sto uses the annual risk analysis to determine which actions are necessary and appropriate to respond to certain actual or potential negative impacts on workers in the value chain. Procedures such as Corporate Risk Management and Supply Chain Risk Management, which were more closely interlinked in 2024 and additionally aligned with the requirements derived from the Act on Corporate Due Diligence Obligations in Supply Chains, also contribute to this. Supplier surveys and evaluations are also carried out. The effectiveness of the actions implemented and monitored using an ActionPlanner can be tracked at the latest with the new annual risk analysis.

An annual risk analysis is also carried out in purchasing. Suppliers are scrutinised during this analysis of purchasing practices. If risks are identified, appropriate actions are initiated and monitored. In 2024, the administrative processes in purchasing and the structuring of the specialist area were also improved.

Sto also obliges its business partners and direct suppliers to comply with the 'Supplier Code of Conduct' and its data protection regulations. The aim is to prevent our own practices from having or contributing to material negative impacts on workers in the value chain.

Sto is in regular dialogue with its direct suppliers. In addition to workshops and seminars, supplier surveys, audits and assessments are also carried out in order to achieve further material positive impacts and avoid negative impacts. There are no known serious problems or incidents relating to human rights affecting workers in the value chain.

Sto considers mitigating possible actual and potential negative consequences for workers in the value chain by terminating business relationships or taking appropriate actions. There were no specific events in the year under review. Similarly, there are currently no concrete motives to reduce negative impacts by terminating a business relationship.

**Actions related to Equal treatment and opportunities for all employees in the value chain:**
Sto is unable to provide any information on measures required in connection with the sustainability aspect 'Equal treatment and opportunities for all employees in the value chain', as no measures have been applied beyond the 'Supplier Code of Conduct' in relation to the management of material impact in relation to workers in the value chain. Sto has not currently implemented any specific actions in this area, as the scope for evaluation and influence is estimated to be low. The intention is to develop and implement appropriate actions within a period of two years as part of the expansion of the platform-based supplier evaluation.

## 5.3. Key figures and targets

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

**Targets related to working conditions of employees in the value chain and equal treatment and opportunities for all employees in the value chain:**
Sto has set two targets for the management of Sto's material positive and negative impacts in connection with the sustainability matters of 'Working conditions for employees in the value chain' and 'Equal treatment and opportunities for all employees in the value chain'.

**Information on the sustainability of suppliers and responsible sources of raw materials**
Sto's goal is to consistently have information on suppliers' sustainability in its procurement systems, and to source the majority of raw materials from suppliers that can demonstrate responsible practices in the areas of human rights, labour standards, transparency and fight against corruption. This target is directly related to Sto's strategic purchasing targets and is in line with the company's objectives.

The target level has been set that Sto's procurement systems consistently include information on the sustainability of suppliers and that the majority of raw materials are procured from sources that can demonstrate a responsible approach to human rights, labour standards, transparency and the fight against corruption. The target is an absolute target.

The scope of the target covers the activities of the entire Sto Group. The reference value was set as 100 % and the reference year for measuring progress was set as the year under review. The target is to be achieved in 2025.

The methods and significant assumptions used to set the targets include combining the assessment data with the information on suppliers from IntegrityNext. The target is based on the requirements of the Act on Corporate Due Diligence Obligations in Supply Chains and UN Global Compact. This is in line with national and international political and social targets. The stakeholder engagement in the definition of the targets took place as part of the formulation and

20250904057B2

enactment of the aforementioned acts and principles. The target has not been changed.

The target is monitored and reviewed by the purchasing department with the support of the sustainability department. The progress is in line with the original planning.

**Recognition of the 'Supplier Code of Conduct'**
Another of Sto's targets is for all relevant suppliers to recognise the 'Supplier Code of Conduct' and undergo a risk assessment. It is directly related to Sto's strategic purchasing targets and in line with the company's targets.

As a target level, it was determined that all relevant suppliers must have acknowledged the 'Supplier Code of Conduct' and undergone a risk assessment (tier 1 and relevance). The target is an absolute target. The scope covers the activities of the entire Sto Group. The global roll-out of the 'Supplier Code of Conduct' began in 2024 and progress has been made in terms of tracking. The target is to be achieved in 2025.

The methods and significant assumptions used to set the targets include the recognition of the 'Supplier Code of Conduct' by the relevant suppliers. The target is based on the requirements of the Act on Corporate Due Diligence Obligations in Supply Chains and is therefore in line with national political targets. The stakeholder engagement in the definition of targets took place as part of the formulation of the 'Supplier Code of Conduct'. The target has not been changed.

The target is monitored and reviewed by the purchasing department with the support of the sustainability department. The progress is in line with the original planning.

There is no process in place for ensuring direct engagement with workers in the value chain, their legitimate representatives or credible proxies who have insight into their situation when setting targets. Sto's performance in relation to the realisation of targets is tracked through regular and ad hoc reviews. The effectiveness analysis of the Act on Corporate Due Diligence Obligations in Supply Chains is used to identify findings or opportunities for improvement arising from the company's performance.

# ESRS S3 Affected communities

## 6.1. Strategy

**SBM-2 Interests and views of stakeholders**
These disclosures are reported in Chapter 1 (ESRS 2).

**SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**
To assess the material impacts, risks and opportunities and their interaction with the strategy and the business model, Sto analysed the interactions with the sustainability matters in the 'Affected communities' section. At present, no strategic area is being pursued that directly addresses the sustainability matters of the 'Affected communities' area.

The 'Affected communities' section comprises the three sub-themes 'Communities' economic, social and cultural rights', 'Communities' civil and political rights' and 'Rights of indigenous peoples'. Of these, 'Communities' economic, social and cultural rights' and 'Communities' civil and political rights' are summarised below in the sustainability matter 'Communities' rights'.

The approach and methodology as well as the materiality assessment are explained in detail in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other report disclosures that require reference to the material impacts, risks and opportunities are presented at the level of sustainability matters.

With regard to the sustainability matters of ESRS S3 'Affected communities', no material positive impacts, actual negative impacts, risks or opportunities were identified as part of Sto's materiality assessment. The potential negative impacts identified are presented below.

**Rights of communities**
In connection with the area of 'Affected communities', the potential negative impact

- 'In certain countries where suppliers are based, there are potential cases of restrictions on freedom of expression'

was identified.

Another potential negative impact is:

- 'In certain countries where suppliers are located, there are potential cases of restriction of freedom of assembly'.

In addition, the potential negative impact

- 'In certain countries where suppliers are based, human rights defenders are potentially restricted'

was identified.

The impacts mentioned were categorised as potentially negative, as Sto was unable to identify any risks or other indications for a different classification as part of the risk analysis in accordance with the Act on Corporate Due Diligence Obligations in Supply Chains.

Sto's material negative impacts in terms of communities' economic, social and cultural rights, as well as communities' civil and political rights and rights of indigenous peoples, are located in the upstream value chain. The affected communities are essentially the local population who may be affected by the impacts of suppliers and upstream suppliers. These are located in particular in the vicinity of large chemical plants or quarries and demolition sites. Sto is not aware of any displacement of indigenous peoples, for example through deforestation, in connection with the supply chain, as only certified wood products are sourced. Communities in the vicinity of Sto's operating sites, factories, installations or other physical activities are not affected by the aforementioned negative impacts. No communities have been identified at either or both ends of the value chain or in relation to indigenous peoples that could be affected by Sto's negative impacts.

All affected communities that are likely to be affected by material impacts related to the company's own business activities, value chain, products or services and business relationships are covered by the disclosures in accordance with ESRS 2.

The impacts of the sustainability matter 'Rights of communities' are not directly related to and do not result from Sto's strategy or business model. The affected communities are not directly influenced by Sto's business practices. Nevertheless, the company's business activities contribute to potential material negative impacts that arise from the implementation

20250904057783

of strategically anchored aspects. In order to minimise or prevent the potential negative impacts, various adjustments and actions are being taken with regard to strategy and business model.

The material negative impacts are related to Sto's procurement relationships. However, these are not widespread, rather the effects are a systemic problem in these countries.

Sto carries out a careful analysis along a country and product risk matrix in order to identify potential risks or negative impacts resulting from the sourcing of raw materials in accordance with these standards. As soon as such risks or potential negative impacts are identified, Sto investigates them and collects additional information.

One illustrative example is the sourcing of glimmer/mica, the mining of which in certain countries and regions carries an increased risk of human rights violations. Sto only procures this raw material from suppliers who can provide appropriate proof.

**Indigenous peoples**
No material impacts, opportunities, or risks were identified for this sustainability matter.

## 6.2. Management of impacts, opportunities and risks

### S3-1 Policies related to affected communities

**Policies related to the rights of communities:**
The following Sto policies cover all affected communities. Sto applies the policies 'Policy statement on Human Rights' and 'Supplier Code of Conduct' to manage the material negative sustainability matter 'Rights of Communities'.

The 'Policy statement on Human Rights' promotes the positive development of communities' economic, social and cultural rights as well as communities' civil and political rights. It has already been presented in accordance with the Minimum Disclosure Requirement of ESRS 2 as part of the disclosure on the disclosure requirement in Chapter 4 (ESRS S1).

The 'Supplier Code of Conduct' is also intended to promote positive impacts in this context and protect against negative impacts. This requires business partners to act responsibly in the local community, take into account the concerns of local residents and ensure healthy and safe living conditions. The Minimum Disclosure Requirement of ESRS 2 for the 'Supplier Code of Conduct' is presented in more detail in Chapter 8 (ESRS G1).

Affected communities were not directly involved in the drafting of these two policies.

Sto is committed to complying with the 'Policy statement on Human Rights' and to enforce compliance with the 'Supplier Code of Conduct' in the supply chain. These policies refer to the human rights of affected communities and are based on international standards, such as the OECD Guidelines. These policies are described in detail in Chapters 4 (ESRS S1) and 8 (ESRS G1).

In cases where Sto's business activities cause or contribute to actual human rights violations, the company is under obligation to implement effective remedies. The company has developed appropriate actions in the event that potential violations become known as part of the risk analysis or through other channels. In addition, actions were defined in purchasing through the implementation of the risk analysis in order to address potential risks to suppliers' respect for human rights. To this end, Sto relies on supplier surveys, awareness training and the requirement for appropriate certificates to enable it to take remedial action in the event of negative impacts on human rights.

In 2024, no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving affected communities were reported in the company's own business area and value chain. These cases also take into account disputes relating to land rights and free, prior and informed consent of indigenous peoples.

In future, these policies will be supplemented by the Sustainable Procurement strategy, which is currently being developed and is also intended to address the rights of affected communities.

### S3-2 Processes for engaging with affected communities about impacts

At Sto, cooperation with affected communities or their legitimate representatives and credible proxies who have insight into their situation takes place within the framework of dialogue procedures. Sto offers those affected, such as mayors or district administrators, the opportunity for direct dialogue. This cooperation not only takes place in direct exchange on specific occasions, but also in the context of associations, foundations and clubs. The associations' activities include, in particular, the information and training events organised as part of the German chemical industry's Chemie³ sustainability initiative. At foundation and association level, this primarily includes the information and training programmes offered by UN Global Compact and its national sections, such as

the UN Global Compact Network Germany, as well as those of the Development and Climate Alliance Foundation. This also provides insights into the perspectives and concerns of particularly vulnerable groups within the affected communities. In addition, there are various dialogue formats to incorporate the affected communities:

**Communication and transparency concerning corporate activities, as well as products and their impact through the website**
Communication and transparency concerning corporate activities, as well as products and their impact (energy consumption, Carbon footprint, environmental compatibility, human well-being / healthy living spaces) is continuously provided through the Sto website. This is a form of information. There is no direct engagement in concrete decisions.

**Participation in (local) events**
Sto regularly takes part in (local) events. This is a combination of information, consultation and feedback.

There is no direct engagement in concrete decisions. The information and feedback flows indirectly into development planning.

**Presentations**
Presentations are organised on a regular basis. This is a combination of information and feedback. There is no direct engagement in concrete decisions.

**Social media**
Sto's social media channels are continuously updated with different content. This is a combination of information and feedback. There is no direct engagement in concrete decisions.

In addition, the engagement of affected communities takes place at an abstract, general level and is deepened on specific occasions. Operational responsibility for engagement lies with the specialist departments and the Corporate Procurement, Internal Audit and Sustainability departments, which report to the Executive Board of STO Management SE on a regular and case-related basis. The effectiveness of cooperation is assessed on a case-by-case basis to protect and take into account the interests of affected communities, listen to their concerns and provide remedy where necessary. The 'protect, respect, remedy' approach is pursued.

### S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns

Sto is under obligation to implement effective remedies if its business activities cause or contribute to actual human rights violations.

Affected communities can report negative impacts as well as other concerns and needs directly through the reporting system. These comments and concerns are carefully reviewed and addressed as part of the process. The whistle-blower can access the reporting system directly via the Sto website. The 'Supplier Code of Conduct' also includes a QR code and a link to the reporting system. Such a link can also be found within the 'DeclarationPolicy statement on Human Rights'.

The reporting system is communicated both internally and externally, for example via the Sto website, to ensure widespread awareness. One material aspect of this system is the protection of whistle-blowers, which is why reports and tips can also be submitted anonymously. The way in which issues raised and addressed are tracked and monitored, as well as ensuring the effectiveness of the reporting system, is covered in Chapter 8 (ESRS G1). Chapter 8 (ESRS G1) also describes how the issues raised and addressed are tracked and monitored. Ensuring the effectiveness of the reporting system is also addressed.

### S3-4 Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

**Actions related to the rights of communities:**
The following actions have been taken by Sto to manage the potential material negative impacts of the sustainability matter 'Rights of communities'.

**Training measures for compliance with the due diligence obligations in the Act on Corporate Due Diligence Obligations in Supply Chains**
In 2024, another global training programme was carried out to ensure compliance with the duties of care under the Act on Corporate Due Diligence Obligations in Supply Chains. It ensures that Sto employees are informed about their rights and obligations and know who they can contact in the event of a suspected human rights violation. This is to prevent the company's own practices from having or contributing to material negative impacts on affected communities. Employees who have direct or regular contact with suppliers, for example in purchasing, procurement and R&D, are particularly encouraged to inform themselves about human rights and environmental conditions in the supply chain. In the event of suspicious incidents, they should report them so that appropriate actions can be taken. This action is linked to the 'Policy statement on Human Rights' directive, as human rights violations can be prevented and reported with the help of due diligence in the field of human rights.

20250904057784

The training measures take place in all Sto companies, cover all geographical areas and include the company's own operational activities. These training measures were introduced in 2023. It is planned to maintain these on a permanent basis. They was hence continued in 2024. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

**Reporting system**
In 2023 and 2024, Sto further optimised the accessibility and global availability of its reporting system. This action is related to the corporate goal of working in partnership and the corporate 'Code of Conduct', 'Supplier Code of Conduct' and the 'Policy statement on Human Rights'. The reporting system ensures that internal and external people such as people from affected communities can report violations anonymously or personalised. The scope of the action covers all geographical areas and includes the company's own operational activities as well as the upstream supply chain. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

The effectiveness of the reporting system is reviewed and evaluated annually. The review shows whether the system is known and implemented in the local subsidiaries. It also checks whether cases should have been reported via the reporting system or the internal, cascading reporting processes. The occurrence or absence of such cases indicates whether the action is effective. The effectiveness of the reporting system is also part of the annual effectiveness review under the Act on Corporate Due Diligence Obligations in Supply Chains. This is carried out at least once a year in the form of an internal review of the criteria and actions required by the Act on Corporate Due Diligence Obligations in Supply Chains. The criteria and actions are examined with regard to their implementation and the degree of fulfilment is analysed with the engagement of the responsible departments.

A detailed description of the reporting system is provided as part of the disclosures on Disclosure Requirement in Chapter 8 (ESRS G1).

No actions were required in the year under review in relation to the acquisition, planning and development of land and the operation or closure of sites or in relation to industry and cooperation with other relevant parties. The construction measures carried out in 2024 were subject to local regulatory approvals. No complaints or need for dialogue with the company were reported.

If specific material negative impacts occur, Sto takes appropriate actions as required. As Sto does not develop large areas, such issues rarely arise. One example is the expansion of the Stühlingen-Weizen site, where the statutory procedures were followed and the local council, the local population and the affected landowners (farmers) were incorporated. This approach will also be used for future development projects.

Sto has not yet implemented any procedures to determine which actions are necessary and adequate to respond to negative impacts. When determining actions to be taken, the company is guided in particular by the practical guidelines of 'The Human Rights and Business Dilemmas Forum' of the United Nations Global Compact, which Sto supports.

In addition to these actions, Sto takes part in (local) events and publicises the company's activities, products and their impact via its website. In addition, Sto is involved in annual donation activities for non-profit associations, social organisations, people in need and the environment and climate change mitigation. A particular highlight in 2024 was the active participation of employees in World CleanUp Day. They helped to rid the local environment of rubbish and thus made a valuable contribution to environmental protection.

Sto is not aware of any serious problems or violations relating to human rights in connection with affected communities. At Sto, data is collected both annually and on a case-related basis.

## 6.3. Key figures and targets

### S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In connection with the management of material negative impacts, the promotion of positive impacts and the handling of material risks and opportunities in relation to sustainability matters, Sto has not yet implemented a process for setting targets, apart from recognising whether complaints are reported, and has therefore not set any measurable, time-bound or results-oriented targets. Accordingly, there is no corresponding performance tracking and no determination of findings or opportunities for improvement resulting from the company's services. Sto has not currently defined any specific targets in this area, as the focus is on the general avoidance of potential negative impacts. Through the recognition and evaluation of complaints and the effectiveness review under the Act on Corporate Due Diligence Obligations in Supply Chains, Sto intends to develop and implement suitable policies and actions as required in 2025 in order to set the necessary targets and meet the requirements. Sto measures its own performance with regard to the sustainability

matters in this chapter via the number of complaints and the effectiveness of the reporting system and the Act on Corporate Due Diligence Obligations in Supply Chains.

Sto focuses on preventing and avoiding (potential) negative impacts. If certain actions can specifically promote positive impacts, Sto will also consider these. In this context, it should be noted that the material impacts, risks and opportunities identified for Sto relate exclusively to potential negative impacts. Therefore, no actions were required in the year under review that could relate to existing risks or opportunities.

20250904057785

# ESRS S4 Consumers and end-users

## 7.1. Strategy

**SBM-2 Interests and views of stakeholders**

These disclosures are reported in Chapter 1 (ESRS 2).

**SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**

In order to assess the material impacts, risks and opportunities and their interaction with strategy and business model in the area 'Own workforce', Sto has analysed its interactions with the material sustainability matters. Sto also addresses sustainability matters in the 'Consumers and end-users' area with the strategic area of 'Transparency & social responsibility'.

The 'Consumers and end-users' area comprises the three sub-topics 'Information-related impacts for consumers and end-users', 'Personal safety of consumers and end-users' and 'Social inclusion of consumers and end-users'.

Against this background, Sto was able to identify many significant positive impacts as part of the materiality assessment. A detailed explanation of the approach and methodology as well as the materiality assessment can be found in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other report disclosures that require reference to the material impacts, risks and opportunities are presented at the level of sustainability matters.

With regard to the sustainability matters of ESRS S4 'Consumers and end-users', no material negative impacts, risks or opportunities were identified as part of Sto's materiality assessment.

The product range of the 'sto' brand is largely marketed via a direct sales organisation with its own permanent employees. This system, which covers almost the whole of Germany, is aimed at professional customers such as painters, plasterers and construction companies. Architects, planning offices, and the real estate industry are also served directly. The target groups mentioned could primarily be affected by impacts in connection with the company's own business activities, value chain, products or services and business relationships.

The Sto Group's policy is to design products in such a way that they are not harmful to People and do not increase the risk of chronic diseases. The majority of the product range poses no risk to end users. When used properly, this part of the product range is safe for consumers. An exception to this are selected concrete repair and floor coating products, which can pose a risk when using them. They are sold exclusively to professional users who have been trained in their use.

Sto does not market any products without corresponding data sheets, documents or emission measurements (the latter only for indoor products). The Safety Data Sheets for Sto products contain all information relevant to health protection. For allergy sufferers, Sto provides detailed information on ingredients and corresponding product recommendations based on an allergy passport.

Sto's services have no potential negative impacts on the right to privacy, the protection of personal data, the right to freedom of expression and non-discrimination. Sto does not target particularly vulnerable people such as children or financially vulnerable people.

**Information-related impacts for consumers and end-users**

In connection with the 'Consumers and end-users' area, the positive impact

- 'Sto operates a data protection management system in Germany'

was identified. It ensures that all data protection requirements are met in accordance with statutory requirements in Germany. This helps to strengthen the trust of employees and customers in the responsible handling of their personal data and to minimise the risk of data breaches.

Another positive impact is:

- 'Compliance with data subjects' rights and processing only with a legal basis'.

The fulfilment of data subjects' rights and the processing of data only on a legal basis ensures that the personal data of consumers and end-users is respected and protected. This strengthens trust in the company's data protection.

The aforementioned positive impacts have a material influence on the policy and can be understood as a consequence of the strategic area of 'Transparency & social responsibility' strategy.

**Personal safety of consumers and end-users**
As part of the materiality assessment, the positive impact of

- 'Customers/end-users can obtain comprehensive information about the product/service, including hazard warnings (e.g. Sto websites, Safety Data Sheets)'

was identified. This covers the provision of safety-relevant quality information such as safety guidelines, performance data, the protection of consumer data protection rights in the company's own operations and downstream in the value chain, as well as enabling customers to express their opinions (by providing platforms for exchange and channels for complaints). This positive impact reinforces the strategic direction in this area and emphasises its importance. This impact is also assigned to the strategic area of 'Transparency & social responsibility'.

Another positive impact

- 'Comprehensive actions are taken to ensure the safety and health of users and end-users (direct distribution to professional applicators)'

was identified. This includes the comprehensive and effective safety protection of users and end-users of Sto products. One of the ways in which this is done is by selling certain products to professional applicators only. Direct distribution to professional applicators are one of the strategic decisions, which is why this impact is also linked to Sto's strategic direction. This impact is allocated to the strategic area of 'Transparency & social responsibility'.

Craftsmen, especially painters and plasterers, who work with Sto products are affected by all the material positive impacts.

**Social inclusion of consumers and end-users**
No material impacts, opportunities, or risks were identified for this sustainability matter.

## 7.2. Management of impacts, opportunities and risks

### S4-1 Policies related to consumers and end-users

Sto has established the following policies to promote the material positive impacts in terms of consumers and end-users.

**Policies related to information-related impacts for consumers and end-users:**
Sto applies the policies of 'Labelling and traceability of products', 'Preparation of a Sustainability Data Sheet (SDS)' and 'Data Protection Policy' to manage the actual positive impact, the sustainability aspect 'Information-related impacts for consumers and end-users'.

The 'Labelling and traceability of products' includes ensuring the identifiability and traceability of products by labelling the packaging or by suitable alternative measures, such as accompanying documents that can be clearly allocated. Traceability is ensured by documenting the materials and raw materials used as well as the date/time/circulation in the daily log.

The general targets of this policy are the proper labelling of products to identify raw materials and products in order to ensure traceability. In this way, it helps to ensure that the positive impacts identified benefit the downstream value chain. The policy itself, which applies to the entire Sto Group, addresses the company's own business area. Process-related monitoring of traceability compliance is carried out by the head of production and quality assurance, as well as the head of the business field. The activities include the identification of products during procurement, storage, production, shipping and use through labelling or accompanying documents. Traceability is ensured by documenting the materials and raw materials used as well as the date, time and circulation in the daily log.

The stakeholder groups affected by the policy are customers, consumers and end-users. The purchasing, production and quality departments as well as the business field organisation and product management are responsible for this, whereby close interaction between these two areas is required. The policy is made available via internal processes and distribution channels.

The regulations on the 'Preparation of a Sustainability Data Sheet (SDS)' describe how the Sustainability Data Sheet, the Safety Data Sheet (SDS) and the Technical Data Sheet (TM) are prepared. The Sustainability Data Sheet provides product-specific information on compliance with the requirements of the building certification systems DGNB, LEED und BREEAM. It also contains certificates and labelling of the product as well as information on ingredients, emissions and the Carbon footprint ($CO_2e$ value) and information on disposal, reuse and recycling. General information on corporate responsibility is also provided. The general targets are the regulation of the commissioning and creation of a Sustainability Data Sheet for Sto products. In this way, the policy helps to ensure that the positive impacts identified benefit the downstream value chain. The policy itself addresses the company's own business area. Product management is responsible for the process-related monitoring of compliance. This policy applies to the Sto Group. The activities also include the creation of a Sustainability Data Sheet for purchased products that are marketed as Sto products. The stakeholder groups affected by the policy are customers, consumers and end-users. It is the responsibility of the Sustainability department and the Business Fields.

20250904057786

The policy is made available via internal processes and distribution channels.

The 'Data Protection Policy' promotes a positive development in relation to consumers and end-users. It has already been presented in accordance with the Minimum Disclosure Requirement of ESRS 2 as part of the disclosure on the disclosure requirement in Chapter 4 (ESRS S1).

**Policies related to Personal safety of consumers and end-users:**
Sto uses the policies of 'Technical and logistical customer complaints' and 'Chemical ban regulation' to manage the actual positive impact in connection with the sustainability matter of 'Personal safety of consumers and end-users'.

The 'Technical and logistical customer complaints' directive describes how to deal with customer complaints and claims. The general aim is to utilise customer complaints as valuable feedback and opportunities to improve the customer relationship and customer satisfaction. In addition, financial losses and risks for the Sto Group are to be avoided through systematic preparation. In this way, the policy helps to ensure that the positive impacts identified benefit the downstream value chain. The policy itself addresses the company's own business area. Process-related monitoring of compliance is carried out by the sales department and the respective product managers. This directive applies to the Sto Group. The activities include the planning, implementation and monitoring of all actions taken by the company with regard to customer complaints, root cause analysis, financial assessment and other services. The stakeholder groups affected are employees, customers, consumers and end-users. This directive is the responsibility of the Sto Group's Technical Service department. The directive is made available via internal processes and distribution channels.

The application of the 'Prohibition of Chemicals Ordinance' means that within Germany the relevant products from Sto SE & Co. KGaA or StoCretec GmbH may only be supplied to resellers, professional users and public research, testing and teaching institutions. The general targets are the implementation of the 'Verordnung zur Neuregelung nationaler Vorschriften über das Inverkehrbringen und die Abgabe von Chemikalien' (Ordinance on new rules and regulations concerning the placing on the market and supply of chemicals, Prohibition of Chemicals Ordinance). In this way, the policy helps to ensure that the positive impacts identified benefit the downstream value chain. It addresses the company's own business area. Process-related monitoring of compliance is carried out by the quality laboratory and product safety and, if necessary, by the competent authority. This policy applies to Sto SE & Co. KGaA and StoCretec GmbH. The activities include the issuing of affected products. The relevant stakeholder groups for the policy are customers, consumers and end-users. It is the responsibility of R&D. When the directive was created, the interests of stakeholders were taken into account insofar as the directive is based on the legal requirements of the regulation for the new regulation of national regulations concerning the placing on the market and issuing of chemicals. The policy is made available via internal processes and distribution channels.

As described in Chapter 4 (ESRS S1), Sto is committed to complying with the 'Policy statement on Human Rights' and the 'Code of Conduct'. The human rights of customers and end consumers are taken into account by the 'Code of Conduct' and the 'Policy statement on Human Rights'.
These policies refer to the right to physical integrity, which is anchored as a human right in various constitutions and international treaties.

In 2024, no cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving consumers and end-users were reported in Sto's downstream value chain.

### S4-2 Processes for engaging with consumers and end-users about impacts

Consumers and end-users' views are taken into account and strengthened at Sto through various actions. To identify and incorporate these, Sto uses various dialogue methods:

**Training and customer seminars**
Training and customer seminars are held regularly. This is a combination of information, consultation and feedback.

There is no direct engagement in concrete decisions. The feedback from participants is incorporated into development planning, particularly with regard to product developments.

**Customer relationship management**
Customer relationship management is carried out on an ongoing basis. This is a combination of information, feedback, target agreement and development planning.

Direct engagement in concrete decisions takes place within the framework of individual business relationships. Feedback is also incorporated into development planning, particularly with regard to product developments and service offerings.

**Customer satisfaction surveys**
Customer satisfaction surveys are conducted on a regular basis. This is a combination of information and feedback.

There is no direct engagement in concrete decisions. The feedback flows indirectly into development planning, particularly with regard to service offerings.

**Dialogue with architects, planners, and real estate investors**
Dialogue with architects, planners, and real estate investors takes place on a regular basis. This is a combination of information, consultation and feedback.

Direct engagement in concrete decisions takes place within the framework of individual business relationships. Feedback is also incorporated into development planning, particularly with regard to product developments and service offerings.

**Simple, understandable communication materials, some of which are organised according to specialist topics**
The communication materials are created on an ongoing basis. This is a form of information. These easy-to-understand communication materials, some of which are organised according to specialist topics, are made available online via the Sto website and the newsletter. Offline, there are customer magazines such as 'StoProfi Info' (for specialist tradespeople), 'StoReport' (customer magazine for prefabricated timber construction), '[ark]' (global magazine for architects) and 'we werte entwickeln' (customer magazine for the housing industry). There is no direct engagement in concrete decisions.

**Specific product information**
Customers can obtain specific product information (Sustainability Data Sheets, EPDs, eco-labels, product brochures with benefit arguments) via the Sto website and on request. This is a form of information, in some cases also of consultation. There is no direct engagement in concrete decisions.

In addition to these dialogue formats, Sto enables consumers and end-users to interact with the company at any time. This is to ensure that the needs of the consumer are fully taken into account. Engagement can take place in different ways and in different development or production phases. It can take place once at the beginning of a project, when customers express their wishes and ideas for product improvements, or at the end, when feedback is gathered on a new product. In addition, engagement can also take place regularly as part of a joint project. Consumer perspectives are incorporated into decisions and activities in order to address the actual and potential impacts on them.

The actions also include cooperation with associations and consumer protection organisations such as the Verbraucherzentrale (consumers' organisation) and conducting customer satisfaction surveys. In addition, there is a continuous exchange on the requirements and needs of consumers through direct contact and cooperation. To date, Sto has not taken any specific steps to gain insights into the views of consumers and end-users beyond the core target group.

Operational responsibility for the engagement of consumers and end-users lies with various members of the Executive Board of STO Management SE, which also ensures that the results from the engagement are incorporated into Sto's corporate strategy. The effectiveness of these actions is not explicitly evaluated.

### S4-3 Channels for consumers and end-users to raise concerns

Consumers and end-users have a wide range of options for expressing their concerns or having them examined. General contact options include the Sto website including the reporting system, social media channels, e-mail, telephone and postal address. The contact options were set up directly by the company. Consumers and end-users also have access to 24-hour emergency information on products. Customers can also benefit from direct contact with sales staff. In addition, regular customer satisfaction surveys are conducted in order to directly recognise the needs and concerns of consumers.

These comprehensive contact options ensure that the concerns and needs of consumers and end-users can be brought to Sto at any time and in various ways.

In the EU, Sto has a statutory obligation to process data protection incidents within 72 hours, which further contributes to the security of customer-related data. No special channels are required to report such cases; instead, generally available communication channels such as websites, email, WhatsApp in some cases and direct dialogue in the context of business relationships are used.

Consumers and end users also have the opportunity to report their concerns via the Sto website using the reporting system.

The reporting system is communicated both internally and externally, for example via the Sto website, to ensure widespread awareness. One material aspect of this system is the protection of whistle-blowers, which is why reports and tips can also be submitted anonymously. As Sto mainly sells its products directly, it maintains close personal contact with its customers. A high level of trust in Sto's structures can therefore be assumed.

20250904057787

The way in which problems that have been raised and addressed are tracked and monitored, and how the effectiveness of the reporting system is ensured, is discussed in detail in Chapter 8 (ESRS G1). Among other things, it also describes how the concerns raised and addressed are pursued and monitored.

## S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

**Actions related to Information-related impacts for consumers and end-users and personal safety of consumers and end-users:**
The following actions were taken by Sto to promote the actual positive impacts of the sustainability matters 'Information-related impacts for consumers and end-users' and 'Personal safety of consumers and end-users'.

**Certified quality**
Through continuous analysis and external monitoring of the products, Sto ensures that applicators and users always receive tested quality and safe goods. Any potentially harmful substances are indicated transparently in Safety and Sustainability Data Sheets as well as Environmental Product Declarations. Many products are certified according to recognised eco-labels. They confirm that the impact of raw materials or emissions on health and the environment is either ruled out altogether or reduced to a minimum. A large part of the Sto interior product range carries the TÜV certificate awarded by TÜV-SÜD – 'low-emission, physiologically harmless, and production monitored' – or has been tested for harmful substances in accordance with Oeko-Tex® Standard 100. In addition, numerous interior products are natureplus®-certified and therefore fulfil the strictest criteria in terms of composition, substance prohibitions, emissions, raw material extraction, pre-product manufacturing, production and application. In France, Sto interior products are all labelled with the French VOC label 'Émissions dans l'air intérieur'. For the Swiss market, they are also labelled with the eco-label of the Swiss Stiftung Farbe (Paints Foundation). These actions contribute to achieving the corporate goal of 'Emissions testing for 100 % of our interior products' and the sustainability strategy 'Health and well-being'. The scope of the actions relates to human resources and costs for testing and certification processes and extends globally, including our own operations and the downstream supply chain. It is planned to maintain these actions on a permanent basis. Progress made and expected in relation to this action can only be presented in future reports. Actions are financed by providing sufficient funds for external certifications and internal expenses. The allocated amount is made available as part of an action plan and amounts to around EUR 1.0 million per year. This is part of other operating expenses and personnel expenses in the consolidated statement of profit or loss of the Sto Group. In future, these actions are to receive a comparable amount of funding.

**Actions related to information-related impacts for consumers and end-users:**
The following actions have been taken by Sto to promote the actual positive impact of the sustainability matter 'Information-related impacts for consumers and end-users'.

**Labelling of preservatives**
Since 2019, Sto has been using its own seal of quality for the labelling of preservative-free products. In this way, Sto meets the growing need for building products that do not have any health risks, and offer quicks orientation, especially for people who are sensitive even to small amounts of preservatives and who could have an allergic reaction. The substances used are made transparent in data sheets and labelled with a seal of quality that confirms that the products are low-emission, solvent- and plasticiser-free and have been tested for pollutants by an accredited institute. Preservatives which protect products from premature deterioration are only used in the products to the extent that is technically necessary.

This action contributes to the company goal of 'Emissions testing for 100 % of our interior products' and to the sustainability strategy (Health & well-being)'. The scope relates to human resources and costs for testing and certification processes, the actions primarily concern the European region and cover the company's own operational activities as well as the downstream supply chain. It is planned to maintain the actions permanently as part of the statutory communication on environmental statements. Progress made and expected in relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

**Compliance with data subject rights and processing only with a legal basis**
In connection with the protection of data, Sto fulfils the data subjects' rights of customers and end-users. The data of end-users and customers are only processed on the basis of legal provisions. This action contributes to the company's 'Data Protection Policy'. The scope relates to human resources and IT costs, it covers all geographical areas and includes the company's own operational activities as well as the downstream supply chain. It is planned to maintain the action on a permanent basis. Progress made and expected in

relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

**Data protection management system**
Sto operates a data protection management system to protect customers and end-users. This action contributes to the company's 'Data Protection Policy'. The scope relates to human resources and IT costs, it covers all geographical areas and includes the company's own operational activities as well as the downstream supply chain. It is planned to maintain the action on a permanent basis. Progress made and expected in relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

**Actions related to personal safety of consumers and end-users:**
The following actions were taken by Sto to promote the actual positive impacts of the sustainability matter 'Personal safety of consumers and end-users'.

**Risk minimisation during the use and application of building products**
To avoid and minimise risks when working with building products, Sto provides Safety Data Sheets, Technical Data Sheets, Sustainability Data Sheets, application instructions, and 24-hour emergency information worldwide. This action contributes to the corporate directives 'Data Protection Policy' and sustainability strategies 'Health and well-being' and 'Transparency & social responsibility'. The scope is global, the action affects all geographical areas and covers the company's own operations as well as the downstream supply chain. It is planned to maintain the action on a permanent basis. Progress made and expected in relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

In addition to this action, Sto offers trainings and customer seminars on various topics. In doing sto, Sto has taken several actions to ensure data protection and to protect the health of consumers and end-users. Actions are not directly tracked and evaluated. Instead, it is assumed that the desired result is achieved as long as no negative feedback is received.

Actions related to Sto's business practices with regard to its product design, marketing or sales are continuously adapted to requirements. The actions required or appropriate to respond to specific positive impacts are decided on a case-by-case basis.

No problems or incidents relating to human rights were reported in 2024.

## 7.3. Key figures and targets

### S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Sto Group has not currently set any measurable result-oriented targets in terms of impacts on consumers and end-users. Sto has not currently defined any specific targets in this area, as there is no basis for surveys and assessments. However, within a timeframe of two years, Sto intends to consider the introduction of suitable targets to promote the positive impact in relation to consumers and end-users. As explained, Sto measures its own performance with regard to the sustainability matters in this chapter via the success rate of its actions. It is assumed that the desired result will be achieved as long as no negative feedback or complaints are received.

The Sto Group is currently focussing on well-functioning processes. The aim is to ensure that consumers and end-users receive the necessary information for each product and that no hazards arise from the products when used as intended. In the event of statutory amendments, Sto adapts the information promptly and actively communicates the changes to the affected interest groups as required. One example of this is the revaluation of chemical substances, which can lead to certain products only being used under certain protective and training measures. The same applies to data protection, which is also a statutory requirement.

20250904057788

# ESRS G1 Business conduct

## 8.1. Governance

**GOV-1 The role of the administrative, management and supervisory bodies**

These disclosures are reported in Chapter 1 (ESRS 2).

## 8.2. Management of impacts, opportunities and risks

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

Sto has analysed its interactions with sustainability matters in order to assess the material impacts, risks and opportunities as well as their interaction with the policy and business model in the area of 'Corporate governance'.

The 'Corporate governance' section of the G1 standard comprises the six sub-topics 'Corporate culture', 'Protection of whistle-blowers', 'Animal welfare', 'Political engagement and lobbying', 'Management of relationships with suppliers including payment practices' and 'Corruption and bribery'.

A detailed explanation of the approach and methodology as well as the materiality assessment can be found in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other report disclosures that require reference to the material impacts, risks and opportunities are presented at the level of sustainability matters.

**Corporate culture**

The following material actual positive impact was identified for the 'Corporate culture' sustainability matter:

- 'Employees have the assurance that the corporate culture is geared towards ethics and compliance'.

It results from Sto's corporate culture. Compliance and transparency form the foundation of sustainable economic trade. Sto is aware of the great relevance of this topic and ensures that employees in its own business activities as well as suppliers are familiar with the principles of ethical trade. A detailed description of the measures that Sto takes to ensure ethical behaviour can be found in the Chapter G1-1 'Corporate culture and concepts for corporate governance'.

**Protection of whistle-blowers**

A material positive impact was identified in connection with the sustainability matter 'Protection of whistleblowers':

- 'Various stakeholders such as employees and actors in the value chain have no barriers to addressing concerns and incidents'.

This impact results from the fact that compliance and transparency are an integral part of Sto's corporate culture. Due to the great relevance of this topic, Sto ensures that employees in its own business activities as well as suppliers are informed about the protection of whistle-blowers. A detailed description of the actions Sto takes to ensure ethical behaviour can be found in Chapter G1-1 'Corporate culture and concepts for corporate governance'.

**Management of relationships with suppliers including payment practices**

The following material actual positive impact was identified in connection with the sustainability matter 'Management of relationships with suppliers including payment practices':

- 'Suppliers have clear requirements as a framework for orientation'.

Sto wishes to cooperate with its suppliers to further develop sustainability performance in the supply chain. The success of the cooperation between Sto and its business partners is based on mutual trust, transparency, reliability and fairness. A Code of Conduct defines Sto's requirements for responsible business practices, human rights and labour standards, environmental protection and product safety. A detailed description of the 'Supplier Code of Conduct' can be found in Chapter G1-1 'Corporate culture and concepts for corporate governance'.

**Corruption and bribery**

The following material actual positive impact was identified for the 'Corruption and bribery' sustainability matter:

- 'Various stakeholders such as employees and actors in the value chain have the assurance that the risk of incidents is minimised as far as possible'.

Through Compliance Management and the reporting system, Sto ensures that ethical behaviour is implemented and misconduct is sanctioned. The Chapter

G1-1 'Corporate culture and concepts for corporate governance' contains a detailed description of measures and directives in the area of corruption and bribery.

The material sustainability matters listed here are an integral part of Sto's sustainability strategy. They are a central element of economic activity and ethical conduct. Sto considers governance, risk management, compliance and ethical business practices to be indispensable for sustainable and responsible corporate governance. By consistently implementing these topics, Sto ensures that not only legal requirements are met, but also that the highest ethical standards are adhered to. This strengthens the stakeholders' trust and makes a significant contribution to Sto's long-term value creation and stability.

**Animal welfare**
No material impacts, opportunities, or risks were identified for this sustainability matter.

**Political commitment and lobbying**
No material impacts, opportunities, or risks were identified for this sustainability matter.

## G1-1 Corporate culture and business conduct policies

Sto has implemented various policies, actions and targets to address the management of the impacts, opportunities and risks of the sustainability matter 'Corporate culture'.

**Policies related to corporate culture and whistle-blower protection:**
To manage the actual positive impacts, the sustainability matters 'Corporate culture' and 'Protection of whistle-blowers', Sto applies the policies of 'Code of Conduct', 'Compliance Management Handbook' and 'Whistleblower system – dealing with tip-offs'.

The 'Code of Conduct' promotes corporate culture and corporate governance. It has already been presented in accordance with the Minimum Disclosure Requirement of ESRS 2 as part of the disclosure on the disclosure requirement in Chapter 4 (ESRS S1). The aforementioned positive impact is covered in particular by guidelines for ethical behaviour and compliance in the 'Code of Conduct'.

Another policy that promotes corporate culture and compliance is the 'Compliance Management Handbook'. It was also presented in accordance with the Minimum Disclosure Requirement of ESRS 2 as part of the Disclosure Requirement in Chapter 4 (ESRS S1).

In addition to the 'Code of Conduct' and the 'Compliance Management Handbook', Sto has implemented the 'Whistleblower system – dealing with tip-offs' directive. It enables employees to address misconduct. The directive helps to ensure that employees understand the applicable legal framework and the reporting system and trust the directive. This allows employees to actively report information. Regardless of legal requirements, the main purpose of the Whistleblower Protection Guideline is the same all over the world. The Sto Group's vision is to propagate a culture of integrity within its own organisation. Complete transparency is a prerequisite for creating confidence in such a directive. It applies to all employees of Sto SE & Co. KGaA and is also applicable to the company's associated companies – with the exception of Sto Corp. and its subsidiaries – in accordance with Sections 15 et seq. of the German Stock Corporation Act. The activities of this directive relate to Sto's entire value chain.

The Chief Compliance Officer of the Sto Group is the recipient of all compliance reports as part of the reporting system. In the performance of his duties, he is not subject to directives and can be supported within the framework of the compliance organisation. The directive takes into account third-party standards by aligning itself with legal requirements. Compliance is also ensured through training and communication. When the directive was drafted, the interests of stakeholders were taken into account insofar as the directive is based on legal requirements. The directive is available on the intranet via 'StoInside'. This allows both whistle-blowers and people who help implement the directive to access it.

Sto connects economic success with social responsibility and environmental protection. The Sto Group is quality-orientated and operates internationally. For this reason, the standards of conduct are uniform worldwide and are based on a global 'Code of Conduct'. It summarises important statutory and internal company regulations. It governs conduct in the business environment including third parties, the public and day-to-day interactions within the Group. It is crucial that every employee of the Sto Group understands the 'Code of Conduct' and acts accordingly. Ensuring compliance is an essential part of our daily work. Sto maintains a culture of honesty and continues to develop it. The responsibility for maintaining and developing the culture lies with each individual employee. This message is also communicated and practised by the Executive Board of STO Management SE.

**Actions related to corporate culture:**
In addition to the policies that Sto uses to manage its impacts on the sustainability aspect 'Corporate culture', Sto implemented the following action in connection with the impacts of this sustainability matter in the year under review:

20250904057789

**Further development of Governance, Risk and Compliance Management (CMS)**
A key action is the further development of Governance, Risk and Compliance Management (CMS). The CMS consists of several interconnected modules and covers the areas of prevention, detection and response. The modules are aimed at ensuring compliance with laws and company rules, implementing regulatory developments promptly and cultivating and developing a culture of honesty within the company. This also applies to the product side in the form of extensive sustainability information and corresponding eco-labels. Assuming responsibility as part of our social commitment is also an important concern for Sto. The scope of the action covers all geographical areas and includes the company's own operational activities as well as the upstream supply chain. It is planned to maintain it on a permanent basis. Progress made and expected in relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

**Actions related to corporate culture and whistle-blower protection:**
Sto implemented the following actions in the year under review to manage its impacts on the sustainability matters of 'Corporate culture' and 'Protection of whistle-blowers':

**Reporting system**
Sto has further optimised worldwide availability and accessibility to the reporting system (also referred to as the whistle-blower system). The system ensures that internal and external persons can report serious violations such as bribery, extortion, embezzlement, theft, accounting irregularities, environmental damage, discrimination, corruption, or anti-trust agreements in an anonymised or personalised form. The scope of the action covers all geographical areas and includes the company's own operational activities as well as the upstream supply chain. It is planned to maintain the action on a permanent basis. Progress made and expected in relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

**Targets related to corporate culture and whistle-blower protection:**
In connection with the sustainability matters of 'Protection of whistle-blowers', 'Corporate culture' and corporate governance, the Sto Group pursues the following target:

**Training all affected employees on the respective topic**
Sto has set itself the target of training all affected employees throughout the Group on topics relating to corporate culture and compliance. It is directly related to the strategic requirements of the 'Transparency & Social Responsibility' sustainability strategy and is in line with the overarching corporate goals. The defined target level stipulates that 100 % of the employees affected should be trained in the respective topics, and should be achieved by 2026. The methods and significant assumptions used to set the targets include the company's obligation to comply with statutory requirements.

To measure progress, the numbers of trainings completed by the affected employees are counted, with the reporting year serving as the reference year. In 2024, 66.2 % of all affected employees were trained on the respective topics in relation to the training courses analysed. This target is an internal company target based on statutory requirements, which is why no external stakeholders were consulted. It has not been changed to meet current requirements and findings. The target was monitored and reviewed by analysing the training provided throughout the Sto Group on an annual basis.

**Mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour conflicting with the 'Code of Conduct'**
The compliance management system and the reporting system play a central role in the identification, reporting and investigation of concerns. These relate to unlawful behaviour or behaviour that contradicts the 'Code of Conduct' or similar internal rules or policies.

At Sto, integrity and compliance with laws and internal sets of rules have the highest priority. In order to maintain these values and avoid or minimise potential risks from violations, it is important to identify, clarify and prevent misconduct at an early stage. Every indication of possible misconduct is investigated impartially as part of an objective and transparent procedure.
The Executive Board of STO Management SE is legally obliged to investigate on its own initiative any suspicion of illegal or unauthorised actions of which it becomes aware. Any compliance and legal violations identified in the course of this must be stopped immediately. Furthermore, sanctions must be considered.

**Reporting system**
In order to fulfil its legal obligations, the Management Board of STO Management SE has commissioned the Compliance department as an independent department. It has a direct reporting line to the Chairperson of the Supervisory Board of STO Management SE and follows up on information and allegations in connection with possible compliance-related misconduct.

The reporting system is part of the Sto Group's compliance management. It is designed to help continuously improve compliance by utilising information. The reporting system is published on Sto's website, allowing both employees and external persons to report grievances. A directive describes the process and is intended to ensure professional and standardised handling of compliance reports. The reporting system is available 24 hours a day, seven days a week. It is accessible via a secure website in all countries. All employees receive the 'Code of Conduct' at the start of their employment at Sto. It is also communicated internally and externally in many places. The Chief Compliance Officer examines the information received and initiates appropriate actions to clarify the matter and, if necessary, follow-up measures, while preserving the anonymity of the whistle-blower. All complaints received are analysed independently in accordance with the principle of confidentiality. As soon as the report is received, it is labelled with a consecutive identification code and entered into a database. The database records the classification of the complaint and its processing status. The whistleblower receives a confirmation of receipt within seven days of receipt of the report.

In order not to initiate an investigation for every tip-off, it has proven to be a good idea to start the process with a preliminary review. The report is checked for validity. As soon as a report is received, it is checked whether the report fulfils the minimum processing requirements and falls within the scope of this directive. If the report is obviously unfounded or does not provide sufficient information to verify the alleged facts, it will not be processed any further. This decision is then documented. If the report appears to be justified, it will be processed further. This process is also recorded. Priority is given to the question of whether the report is related to the company. What is important here is not the origin of the report, but whether the facts have occurred in the company or could have consequences for the company or an employee of the company. The final documentation and reporting follow immediately. If the report is not followed up, the whistle-blower will also be informed. The preliminary review must be carefully and thoroughly justified and documented. The final decision as to whether the report should be investigated further is made by the Chief Compliance Officer. Complaints are prioritised in order of importance from one (relevant) to three (least relevant). All reports relating to facts that may constitute acts of corruption are given a rating of 'one'. If the report is credible according to the preliminary analysis, the audit and analysis of the facts alleged by the whistleblower continue. If necessary, the involvement of other company departments or third parties can be requested. This decision must always take into account the confidentiality and safety of the whistle-blower, the persons affected by the report and all other persons named in the report. As in criminal law, the principle of the presumption of innocence and the principle of a fair trial apply here. The internal investigation must be documented throughout.

The Chief Compliance Officer is an independent function. The Chief Compliance Officer examines the information received and initiates appropriate measures to clarify the information while guaranteeing the anonymity of the whistleblower. Once the investigation of the facts alleged by the whistleblower has been completed, the Chief Compliance Officer draws conclusions as to whether the violation can be confirmed or not. The results of the investigation are then documented. The results are presented to the Executive Board of STO Management SE and any necessary follow-up measures are proposed. If a violation of laws or internal standards is confirmed, the results are forwarded to the HR department and, if necessary, to the Works Council.

The Sto Compliance department reports directly to the Chairperson of the Supervisory Board of STO Management SE. This enables the Chairperson, as an independent person, to follow up on indications and allegations of possible compliance-related misconduct.

The Sto Group has defined and established the corresponding processes in compliance management. The training topics and target groups are determined in accordance with the specific compliance risks of the company, taking into account national regulations on co-determination. For example, sales representatives are particularly sensitised in the areas of anti-corruption and competition law. Compliance training is offered in the form of e-learning and in-person training. Every employee is trained both when joining the company and at regular intervals. An internal reporting process ensures that all new employees worldwide are registered and trained. All employees worldwide are required to take the mandatory online course every two years.

The Sto Group does not tolerate any form of retaliation (e.g. disciplinary action, threats, intimidation) for the reporting of violations if this has been carried out in good faith, or for cooperation in the clarification of violations.

The whistleblower cannot be prosecuted personally or under labour law on the basis of or in connection with a report. The employer pledges to prevent and, if necessary, punish any discriminatory actions or other reprisals against whistleblowers. In the event of intentional misuse of the reporting system, the employer reserves the right to take disciplinary action. Any information reported is treated with the utmost care and investigated objectively.

2025090405790

In addition, indications of violations of compliance issues (human rights, environmental risks, competition law, corruption, fraud/money laundering, data protection, trade compliance) can also be reported via the reporting system. The reports are made anonymously (to the extent permitted by statutory law). Any infringement should be reported via one of the channels provided by Sto for this purpose. This should preferably be done via the reporting system, which guarantees the anonymity of the whistleblower.

**Training within the organisation on corporate policy**
Compliance training remains an important preventive and protective measure. Employees as well as new employees receive internal company training on the subject of compliance. This is either carried out as face-to-face or online training and repeated regularly for all employees.

The 'Learning@sto' platform contains e-learning courses on the topic of compliance. Mandatory courses for employees are defined on the intranet 'StoInside'.

All training courses have a due date, meaning that all courses must be completed within one to two calendar years. This process takes place automatically. Reminders are also sent automatically and the personal dashboard provides information on the current status. A detailed description of the policy can be found in Chapter 4 (ESRS S1) as part of the explanation of the compliance management system. The functions within the company that are most at risk in terms of corruption and bribery are the Executive Board of STO Management SE, Sales and Purchasing. These areas have contact with customers and suppliers, which means that external stakeholders could receive the greatest benefits through bribery, for example.

## G1-2 Management of relationships with suppliers

Risk management and sustainability are important pillars of Sto's purchasing strategy. Derived from the sustainability strategy, a so-called 'Responsible Procurement' strategy is also being prepared in the purchasing department. The basis for the approach to relationships with suppliers is the 'Supplier Code of Conduct' directive, which is presented below in accordance with the Minimum Disclosure Requirement from ESRS 2. The description of the directive also shows which social and ecological criteria Sto takes into account when selecting its suppliers.

**Policies related to management of relationships with suppliers including payment practices:**
The following policy from Sto addresses the impacts in the area of 'Management of relationships with suppliers including payment practices'.

The 'Supplier Code of Conduct' imposes an obligation on all business partners to comply with statutory national laws in their business activities and decisions. They must also comply with the relevant internationally recognised standards, directives and principles. This includes, in particular, the initiatives and principles that Sto supports. In this way, business partners commit to sustainable development, protection of the environment and various social aspects. For example, the work must be performed on the basis of a recognised employment relationship, which is defined by national laws and practices. Obligations to respect human rights arising from the regular employment relationship may not be circumvented through the use of other types of contractual arrangements. Compliance with legal regulations, transparency and ethical business practices must also be guaranteed. The 'Supplier Code of Conduct' must be applied by all business partners of the Sto Group. The Sto Group's Materials Management department is responsible for this directive, which supports various initiatives and principles. For example, this includes the Ten Principles of UN Global Compact, the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The interests of stakeholders were taken into account when designing the directive by involving external service providers and specialised departments with knowledge of stakeholder interests.

The policy is made available to all suppliers and the general public via the Sto website.

**Measures in connection with the management of relationships with suppliers:**
Sto has taken the following action to promote the material positive impact of the sustainability matter 'Management of relationships with suppliers including payment practices':

**Software for supplier evaluation**
An action to influence management of relationships with suppliers is the introduction of systematic supplier evaluation. By default, this takes place in SAP. With the introduction of the IntegrityNext software, all suppliers worldwide are also assessed and monitored in terms of sustainability from 2025 onwards. This assessment will be combined with the other SAP metrics so that fulfilment of relevant sustainability criteria is taken into account alongside price, quality, commercial cooperation and delivery conditions. In this way, Sto emphasises its commitment to sustainable procurement. It is planned to maintain the action on a permanent basis. Progress made and expected in relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

**Targets related to management of relationships with suppliers including payment practices:**
Sto has set a target for managing the material positive impact of Sto in connection with the sustainability aspect 'Management of relationships with suppliers including payment practices'.

**100 % recognition of the 'Supplier Code of Conduct' and risk assessment of all relevant suppliers**
In order to improve the management of relationships with suppliers, Sto has set itself the target of having 100 % of all relevant suppliers recognise the 'Supplier Code of Conduct' and its risk assessment (Tier 1 and relevance) by 2025. This target is directly related to Sto's strategic objectives in the area of transparency. The scope of the target extends to the Sto Group's direct suppliers and those relevant on the basis of the risk analysis. The global roll-out of the 'Supplier Code of Conduct' began in 2024 and progress has been made in terms of tracking. The methods and significant assumptions used to set the targets include combining the assessment data with the information on suppliers from IntegrityNext. The engagement of stakeholders in the definition of targets took place as part of the formulation of the 'Supplier Code of Conduct' and the implementation of the Act on Corporate Due Diligence Obligations in Supply Chains. Findings from the various dialogue formats were also taken into account. The target is monitored and reviewed by the purchasing department with the support of the sustainability department and are in line with the progress of the original planning.

Sto has not developed a specific policy to prevent late payment to small and medium-sized companies, as Sto monitors payment deadlines on the system side and has not had any material incidents (late payments) in this context.

## G1-3 Prevention and detection of corruption and bribery

Correct and compliant behaviour is a top priority for Sto. The company's success is based on integrity and compliance. In order for the company to fulfil this requirement, it is important to learn of potential misconduct and put an end to it.

**Policies related to corruption and bribery:**
To manage the actual positive impact of the sustainability matter of 'Corruption and bribery', Sto applies the 'Directive on gifts, hospitality, and invitations to Sto employees from third parties' and the 'Competition Law Code of Conduct'.

The 'Directive on gifts, hospitality, and invitations to Sto employees from third parties' describes the principles and standards of behaviour that must be observed in the context of our work when gifts, hospitality, or invitations are offered by third parties.

**By adopting this directive, Sto is pursuing the following objectives:**
- Establishing a common understanding on handling gifts, hospitality, and invitations from third parties in business transactions. It is intended to benefit all employees as an important reference work and source of information.
- Determining standard procedures that apply when gifts, hospitality, and invitations are provided by third parties.
- Prevention of non-compliant conduct and reduction of risks for Sto. The responsible and lawful behaviour of each individual employee reflects Sto's identity and is essential for the company's success.

The 'Directive on gifts, hospitality, and invitations to Sto employees from third parties' is binding for all employees of the Sto Group. It is the responsibility of the Internal Audit department. The directive is to ensure that relevant statutory regulations are complied with within the Sto Group. Directives from third parties are taken into account accordingly if they are also based on corresponding statutory regulations. Compliance is additionally ensured through training. The interests of stakeholders were taken into account when creating the directive, as it is largely based on the legal requirements. The directive is primarily made available to employees via the 'StoInside' intranet. This approach to combating corruption and bribery is in line with the United Nations Convention against Corruption.

The 'Competition Law Policy' explains the requirements of competition law and thus raises awareness of the fundamental regulations and their significance for business conduct and corporate decision-making. The directive is designed to give employees a basic understanding of competition law. In this way, they can recognise situations that involve issues relevant to competition law and in which legal advice is required.

The 'Competition Law Policy' provides employees of Sto SE & Co. KGaA with a guide on behaviour that complies with competition law. It applies to all Sto employees. The directive is the responsibility of the Internal Audit department. Third-party standards were taken into account in the directive by basing it on the legal requirements. Compliance with this directive is also ensured through training. When writing the directive, the interests of stakeholders were taken into account insofar as the directive is based on legal requirements. It is primarily made available to employees via the 'StoInside' intranet. This approach to combating corruption and bribery is in line with the United Nations Convention against Corruption.

20250904057 91

A description of the procedures in place to prevent, detect and combat allegations or incidents of corruption or bribery can be found in the disclosure on the reporting system and compliance management system in Chapter G1-1 'Corporate culture and concepts for corporate governance'.

**Actions related to corruption and bribery:**
The following action was taken by Sto to manage the positive impact of 'Corruption and bribery' with regard to the sustainability aspect.

**Training**
One action that minimises the risk of incidents of corruption and bribery is the creation of transparency through training. In the year under review, mandatory compliance and IT security training was conducted via internal communication platforms and e-learning courses in order to sensitise employees and further develop and strengthen their awareness of compliance and safety standards. The scope of the action covers all geographical areas and includes the company's own operational activities. It is planned to maintain the action on a permanent basis. Progress made and expected in relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

**Targets related to corruption and bribery:**
Sto has set the following targets for managing the positive impact of the sustainability matter 'Corruption and bribery'.

**No violations and no convictions in relation to compliance**
The obligation to prevent incidents of corruption and bribery goes hand in hand with the target of avoiding compliance infringements and convictions. This target is directly related to Sto's strategic objectives in the area of transparency. The scope covers the entire Sto Group. The year under review is used as the reference year. The target is to be achieved by 2025 and continued annually.

The methods and material assumptions used to set targets include the obligation for the company to comply with statutory requirements both now and in the future. The target is an internal company target and is based on statutory requirements. For this reason, no external stakeholders were consulted in the setting of this target. Sto rigorously reviews compliance incidents to assess annual target achievement. In the 2024 financial year, there were no violations or convictions in connection with corruption or bribery. Hence, the target was achieved in the year under review and no further actions need to be taken apart from the described preventive actions.

**Training in connection with corruption and bribery**

| | Functions-at-risk |
|---|---|
| Share in % (functions-at-risk covered by training programmes) | 66.2 |

**Methodologies and assumptions**
The training courses are e-learning programmes that Sto employees must complete every two years. This also applies to members of the administrative and management bodies.

The data for the training courses conducted in connection with corruption and bribery was taken from the e-learning platform. The collection includes both completed and ongoing training courses. The data was collected in January 2025 for the 2024 financial year.

To calculate the percentage of employees in functions-at-risk who were covered by training programmes, the number of training courses completed was determined and then compared with the total number of employees affected. The functions-at-risk include employees in the areas of marketing, sales and purchasing as well as managers.

The measurement of the key figure has not been validated by any external body. The key figure was subjected to a content-related audit with limited assurance by the auditor.

## 8.3. Key figures and targets

### G1-4 Incidents of corruption or bribery

**Corruption and bribery**

| Violations of corruption and bribery regulations | 2024 |
|---|---|
| Number of convictions for corruption and bribery violations | 0 |
| Amount of fines for corruption and bribery violations | 0 |

Comprehensive actions have been taken to effectively address violations of procedures and standards for combating corruption and bribery. Key initiatives include the introduction of strict compliance directives that set out clear standards of conduct and ethical principles. These directives are supported by regular training for all employees to raise awareness of the risks of corruption and bribery and to highlight the consequences of violations.

In addition, internal control and monitoring systems have been implemented to recognise possible violations at an early stage and take appropriate

countermeasures. An important component is the establishment of anonymous reporting systems that enable employees, external partners and other persons to report suspicious incidents confidentially and without fear of reprisals.

Audits are carried out regularly to check the effectiveness of the actions and ensure that the applicable standards are being met. Clear sanctions for violations of the directives have been defined to underline the importance of integrity and transparency within the organisation.

In addition, great importance is placed on an open communication culture that promotes ethical behaviour and ensures that all employees take responsibility for complying with anti-corruption standards. Overall, these actions are aimed at strengthening trust in the organisation and creating an environment that consistently counteracts corruption and bribery.

**Methodologies and assumptions**
Data on the number of convictions and the amount of fines for corruption and bribery violations was collected from the Group companies and collated. The measurement of the key figures has not been validated by any external body. The key figures were collected in January 2025 for the 2024 financial year and subjected to a content-related audit with limited assurance by the auditor.

Stühlingen/Germany, 7 April 2025
Sto SE & Co. KGaA
represented by STO Management SE
Executive Board

20250904057 93

# Corporate Governance Report / Corporate governance statement

In this report, Sto SE & Co. KGaA and its personally liable partner STO Management SE describe all the processes involved in the management and monitoring of the Company (Corporate Governance) as well as the key corporate governance practices in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and as stipulated in Principle 23 of the German Corporate Governance Code (GCGC) on the corporate governance of the Company in the 2024 financial year (Corporate governance statement). This combined document is part of the Annual report and, as such, is also published under 'Investor Relations' under the 'Corporate Governance & Compliance' section on the Sto website at www.sto.de. The Remuneration report in accordance with Section 162 of the German Stock Corporation Act (AktG) is published in the 'Investor Relations' section of the www.sto.de website, under the category 'Vergütungsbericht gem. § 162 AktG' (Remuneration report in accordance with Section 162 AktG). Further information on corporate governance, such as the Supervisory Board's Internal Rules of Procedure including the definition of its committees as well as the Corporate governance statements of previous financial years, are also available at www.sto.de in the 'Investor Relations' section or as part of the annual report.

Sto is committed to responsible and transparent management and monitoring of the Company, with a focus on sustainable value creation. All internal decision-making and control processes in the Sto Group are based on this principle.

## 1. Declaration of compliance in accordance with Section 161 of the German Stock Corporation Act by Sto SE & Co. KGaA on the recommendations of the Regierungskommission Deutscher Corporate Governance Kodex (Governmental commission German Corporate Governance Code)

The current and previous versions of this declaration are published on the website at www.sto.de. They can be found under 'Entsprechenserklärung' (Declaration of Compliance) by going to the 'Investor Relations' area and selecting the 'Corporate Governance & Compliance' category. The declaration is essentially reproduced below:

Statutory regulations, ethical standards, a sound financial policy, a strategy that is geared towards sustainability, and the German Corporate Governance Code (GCGC) all provide the foundation for our approach to corporate governance.

The German Corporate Governance Code in its version of 28 April 2022 was published in the Bundesanzeiger (German federal government gazette) on 27 June 2022.

In accordance with Section 161 of the German Stock Corporation Act (AktG), listed companies are legally obliged to declare once a year that the recommendations made in the GCGC have been and are being complied with, or which recommendations have not been or are not being applied and the reasons why not. Companies may deviate from suggestions without any obligation to provide an explanation.

### Particularities due to the legal form of 'KGaA'

The GCGC is tailored to companies in the legal form of an 'Aktiengesellschaft' (public limited company) or a European Company (SE) and does not take into account the special features of the legal form of a KGaA. Many of the recommendations of the GCGC can therefore only be applied to Sto SE & Co. KGaA in a modified form. Significant modifications result in particular from the following special features specific to the legal form. Sto SE & Co KGaA (referred to below as the 'Company') is a 'Kommanditgesellschaft auf Aktien', which is a German legal form that is roughly equivalent to a partnership limited by shares. The tasks normally performed by the Executive Board of an 'Aktiengesellschaft' (German legal form that is comparable to a public limited company) are instead performed by the personally liable partner because of statutory provisions contained within the German Stock Corporation Act. The sole personally liable partner of the Company is STO Management SE, which acts through its management body and is therefore responsible for managing the Company's business. The personally liable partner receives the liability remuneration and expense allowance conforming to the Articles of Association.

In comparison to the Supervisory Board of an 'Aktiengesellschaft' (public limited company), the rights and obligations of the Supervisory Board of a 'KGaA' are restricted. In particular, the Supervisory Board of the Company does not have the authority to appoint personally liable partners or their corporate bodies. Nor is it authorised to specify their contractual conditions, to adopt rules of procedure relating to management, or to define business transactions requiring approval. These tasks in relation to the Executive Board of STO Management SE are performed by its Supervisory Board. The 'KGaA' does not have a labour relations director.

The Annual General Meeting of a 'KGaA' essentially has the same rights as the Annual General Meeting of an 'AG' ('Aktiengesellschaft' (public limited company)); in addition, it resolves on the approval of the annual

financial statement of the company. Numerous resolutions require the approval of the personally liable partner.

STO Management SE – acting through its Executive Board – as the personally liable partner of the Company, and the Supervisory Board of the Company jointly declare in accordance with Section 161 AktG (German Stock Corporation Act) that the Company complies with the recommendations of the 'Regierungskommission Deutscher Corporate Governance Kodex' (Governmental commission German Corporate Governance Code) with the following exceptions and taking into account the above-mentioned particularities specific to the legal form.

Since the last Declaration of compliance was issued, STO Management SE as personally liable partner of the Company and the Supervisory Board of the Company have complied with the recommendations of the 'Regierungskommission Deutscher Corporate Governance Kodex (Governmental commission German Corporate Governance Code)' with the exceptions stated in the last Declaration of compliance.

**Principle 6:**
Due to the Company's legal structure, the Supervisory Board has no authority to define transactions for the personally liable partner that require approval and has no authority with regard to the personally liable partner's personnel as a management body of the company and its internal structure.

**Principle 8:**
Due to the legal form, the Annual General Meeting does not have the authority to make decisions on the remuneration system of the personally liable partner. The personally liable partner of the Company receives the liability remuneration conforming to the Articles of Association and expense allowance conforming to the Articles of Association.

**Principle 9 und Recommendations B.1 to B.5:**
Due to the legal form, the Supervisory Board has no authority to make decisions regarding the personally liable partner as the Company's management body and/or the composition of the personally liable partner's corporate bodies. Please refer to the introductory remarks on the legal form.

The personally liable partner informs that, with regard to the recommendations in B.1 to B.5, it essentially acts in accordance with the underlying objectives of the recommendations. Insofar as Recommendations B.2 and B.5 refer to the Company's Corporate governance statement, the personally liable partner announces that it will include explanatory remarks there.

**Recommendations C.6, C.7, C.8, and C.10:**
Of the six members of the shareholder representatives on the Company's Supervisory Board, two members have been on the Supervisory Board for more than twelve years. One member of the Supervisory Board was a member of the Executive Board of the personally liable partner until 31 December 2023. These members do not have any other characteristics that indicate a possible dependency within the meaning of Recommendation C.7. The Supervisory Board is satisfied that – regardless of how long they have been members of the Company's Supervisory Board and regardless of their previous activities – these members are sufficiently independent of the Company and the personally liable partner. By virtue of their personal economic and professional circumstances, none of the three members are in any way reliant on their Supervisory Board activities on behalf of the Company. The Company believes that a mix of different experiences, qualifications and backgrounds is the best way to ensure optimal control of the Company. In the opinion of the Supervisory Board, the Chairperson of the Supervisory Board and the Chairperson of the Audit Committee, who are each one of the three members listed above, are therefore not to be considered dependent within the meaning of Recommendations C.7, C.8 and C.10.

**Recommendation F.2:**
The GCGC recommends that the prepared and audited consolidated annual financial statement of the Sto Group be made available to the public within 90 days after the end of the financial year and that financial information during the course of the year be made available to the public within 45 days after the end of the reporting period. In accordance with Section 325 (4) of the German Commercial Code (HGB), it is mandatory that the Annual financial statement, the Consolidated annual financial statement of the Sto Group, the Management and the Group Management report as well as the other documents be disclosed within four months after the end of a financial year. As has been the case in the past, the Company will continue to disclose the consolidated annual financial statement of the Sto Group by the end of April of the following year and will make the financial information during the course of the year available to the public within 90 days after the end of the reporting period.

**Principle 24, Recommendations G.1 to G.14:**
Due to the legal form, the Supervisory Board has no authority to determine the remuneration of the personally liable partner or its management body. As stated above, the personally liable partner of the Company receives liability remuneration in accordance with the Articles of Association and reimbursement of its expenses for managing the Company in accordance with the Articles of Association.

20250904057794

The personally liable partner has informed us that it bases the remuneration of the members of its management body essentially on the targets set out in Recommendations G.1 to G.14. The personally liable partner reports that the remuneration structure for the members of its management body is currently based on industry benchmarks and that the monetary remuneration components for the members of its management body comprise fixed and variable components. The variable remuneration components are differentiated according to a short-term and a long-term (multi-year) assessment basis, in each case based on the performance of the Company.

**Recommendations G.15 and G.16:**
As the Supervisory Board of the Company has no authority with regard to the remuneration of the management body, the recommendations are not applicable due to the specific legal form. The personally liable partner and the Supervisory Board of the Company report that members of the management body of the personally liable partner do not receive remuneration for exercising mandates on the Supervisory Board of the Company's Group.

**Principle 26:**
Since the remuneration of the personally liable partner is determined by the Articles of Association of the Company, the principle is not applicable due to the specific legal form. The personally liable partner hereby reports that, in the context of preparing the annual financial statements and the Management report, it will present the principles of the remuneration of its management body and will essentially be guided by the transparency objectives of the Remuneration report with regard to the personally liable partner as a whole. The Remuneration report also includes information on the remuneration of the Supervisory Board.

## 2. Remuneration report/remuneration system

Sto SE & Co. KGaA has a personally liable partner rather than an Executive Board due to the legal form of organisation. Therefore, the Remuneration report is produced in accordance with Section 162 of the German Stock Corporation Act (AktG) according to Section 278 (3) of the German Stock Corporation Act (AktG) by the personally liable partner instead of by an Executive Board.

Information concerning the remuneration and expense allowance paid to the personally liable partner STO Management SE and details of the main features of the remuneration system for the supervisory body of Sto SE & Co. KGaA can be found in the Remuneration report produced in accordance with Section 162 of the German Stock Corporation Act (AktG). The Remuneration report for the last financial year, the Independent Auditor's Report by the auditor in accordance with Section 162 of the German Stock Corporation Act (AktG) and the latest remuneration resolution of the Company's Annual General Meeting in accordance with Section 113 (3) AktG have been made publicly accessible and have been made permanently available for inspection by the statutory deadline on the Company's website at www.sto.de, where they can be found in the 'Investor Relations' section under the category 'Vergütungsbericht gemäß § 162 AktG' (Remuneration report in accordance with Section 162 AktG).

## 3. Disclosures on corporate governance practices

### 3.1 Disclosures on the Annual General Meeting at the 'Kommanditgesellschaft auf Aktien' (roughly equivalent to a partnership limited by shares)

The Annual General Meeting of Sto SE & Co. KGaA essentially has the same rights as an Aktiengesellschaft (German public limited company). In addition, it resolves on the approval of the annual financial statement of Sto SE & Co. KGaA. Shareholders exercise their rights at the Annual General Meeting. As the personally liable partner of Sto SE & Co. KGaA, STO Management SE is responsible for convening the Annual General Meeting and the timely dispatch of all statutory reports and documents, including the agenda. These documents and the Annual report are also available on the Company's website. At the Annual General Meeting, the personally liable partner presents the annual financial statement of Sto SE & Co. KGaA, the consolidated annual financial statement of the Sto Group as well as the Management/Group management report for the previous financial year and explains the key events. Unlike the Annual General Meeting of an 'Aktiengesellschaft' (German public limited company), the Annual General Meeting of a 'Kommanditgesellschaft auf Aktien' (KGaA, roughly equivalent to a partnership limited by shares) cannot vote on the remuneration of the Executive Board or on a remuneration system, because there is no Executive Board in the case of this legal form. Rather, the (liability) remuneration and the expense allowance for STO Management SE as personally liable partner of Sto SE & Co. KGaA for taking over the management of the Company are determined by law and the Articles of Association of Sto SE & Co. KGaA.

For shareholders who cannot or do not wish to exercise their voting rights themselves at the Annual General Meeting, a voting proxy bound by instructions from the Company is available. As at the end of 2024, Sto SE & Co. KGaA's subscribed capital amounted to an unaltered figure of EUR 17.556 million. Each of the 4.320 million limited ordinary shares (ordinary shares) grants one voting right. The 2.538 million limited preference shares (preference shares) do not have voting rights but take priority for the purpose of profit distribution and are entitled to a higher dividend. There were no shares with preferential or multiple voting rights.

## 3.2 Compliance/Measures relating to corporate governance

Over and above the legal requirements and the German Corporate Governance Code, Sto SE & Co. KGaA bases its conduct on internal regulations and external standards. The activities for greater sustainability include the United Nations' 17 Sustainable Development Goals (SDGs). Sto is a member of the United Nations (UN) Global Compact, a global initiative under the auspices of the United Nations that sets out ten principles in the areas of human rights, labour standards, environmental protection and the fight against corruption. The implementation of the principles of UN Global Compact are set out in the Sustainability statement contained in the Group management report, which is published on the Company's website at www.sto.de in the 'Investor Relations' section under the category 'Geschäfts- und Zwischenberichte' (Annual and interim reports) as part of the Group management report in the Annual report.

The sustainability statement fulfils the reporting on sustainability at Sto in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Our most important internal regulations within the Company include the 'Principles for Cooperation and Management within the Sto Group', which include a set of Group-wide practice guidelines for all employees and managers. In addition to regulations for internal work procedures, they also include information on the principles stipulated by Global Compact.

The purpose of consistent compliance management is to ensure adherence to Company rules and values, and to make sure that all business practices within the Group are legally compliant. At Sto, compliance provides the foundation for integrity in the business arena. It underpins the Company's strong commitment to ethical and fair behaviour in our own organisation, and creates the framework for dealing with external partners.

Sto's Compliance Management System consists of several interconnected building blocks. It covers the areas of prevention, detection, and response, and is supported by the implemented risk management procedures, the directives, and extensive training and advice for employees worldwide. Ways and means are provided for reporting suspected or actual violations of Company rules and statutory regulations in order to facilitate the detection and complete investigation of misconduct. Every instance of misconduct is investigated thoroughly.

By following the logical sequence of the PDCA cycle (Plan, Do, Check, Act), the Compliance Management System can be implemented using the optimum methodology and can be continuously developed by remedying weak points. The compliance risks can be recorded independently of the risk owner and individual risk and are integrated into the system. At Sto, compliance is integrated into the Company's operational and added-value processes from end to end, with implementation based on seamless and continuous communication. Responsible conduct is reinforced and indelibly imprinted on the minds of all employees through the 'tone from the top' strategy adopted by the Executive Board of STO Management SE. Moreover, legally compliant, risk-aware, opportunity-oriented, and informed action in a dynamic business environment help to ensure Sto's competitiveness and sustainable corporate success in line with Sto's corporate mission of 'Building with conscience.'

## 3.3 Accounting and auditing of financial statements

The accounting of the Sto Group is based on the International Financial Reporting Standards (IFRS Accounting Standards) as applied in the European Union. The annual financial statement of the parent company Sto SE & Co. KGaA is based on the reporting standards of the German Commercial Code (HGB).

The annual and consolidated annual financial statements of Sto SE & Co. KGaA, including the respective management report and Group management report, are audited by an independent auditing company, which is elected by the Annual General Meeting at the proposal of the Supervisory Board. The election is preceded by an independence check in order to ensure that any conflicts of interest that might give rise to doubts concerning the impartiality of the auditor are ruled out at an early stage.

The auditor responsible takes part in the deliberations of the Supervisory Board of Sto SE & Co. KGaA concerning the Annual financial statement and the Consolidated annual financial statement as well as in the corresponding Audit Committee meeting where the auditor reports on the key findings of their audit. The exchange with the Supervisory Board and the Audit Committee takes place both with and without the participation of the personally liable partner.

## 3.4 Transparency and external reporting

Sto SE & Co. KGaA informs its shareholders, financial analysts, the media, and the general public about important topics in a regular, timely and comprehensive manner. These include, in particular, the economic situation and development of the Company/Group, as well as important business changes within the Group. The Company uses a variety of media for this purpose.

Annual and interim reports, press releases and voting rights announcements, inside information and all

20250904057795

financial reporting, including the Group sustainability statement contained in the Group management report, as well as other significant information can be found on the Internet at www.sto.de under 'Investor Relations' - much of it also in English. Annual and half-yearly financial reports are also lodged with and published in the German federal government gazette (Bundesanzeiger) and in the companies register on the day of publication.
Significant dates in the context of financial communication are continuously published in the financial calendar of the Annual Report and on the Company's website. The dates are updated as necessary.

### 3.5 Effectiveness of the internal control system and risk management system

The Executive Board of the personally liable partner STO Management SE has initiated and implemented an integrated approach to governance, compliance, and risks that aims to ensure adequate and effective internal control and risk management. The measures implemented within the context of this approach aim to ensure the effectiveness and adequacy of internal control and risk management, and are described in the Risks and opportunities report, for example. The measures also include processes and systems for entering and processing sustainability-related data. Independent monitoring and audits take place, especially through audits by the Internal Audit division and its reporting to the Executive Board of the personally liable partner STO Management SE as well as to the Audit Committee of the Supervisory Board, and through other external audits.

Based on the examination of the Internal control and risk management as well as the reporting of the Internal Audit function, the personally liable partner and its Executive Board are not aware of any circumstances that speak against the adequacy and effectiveness of these systems.

## 4. Description of the operating principles of the personally liable partner STO Management SE and the Supervisory Board as well as the composition and operating principles of the committees

Sto SE & Co. KGaA is subject to the German stock corporation law. As a 'Kommanditgesellschaft auf Aktien' (roughly equivalent to a partnership limited by shares), the governing bodies of Sto SE & Co. KGaA are the personally liable partner of the Company STO Management SE, which is responsible for managing the Company's business, the Supervisory Board and the Annual General Meeting. There is a separation in terms of personnel between management of the Company and monitoring of the Management Board in accordance with the statutory regulations. The duties and powers of the governing bodies and the requirements for their operating principles and composition of the management and supervisory bodies are essentially derived from the German Stock Corporation Act and the Articles of Association of Sto SE & Co. KGaA as well as the Internal Rules of Procedure. The Articles of Association of the Company and the Internal Rules of Procedure for the Supervisory Board and its committees are available on the Company's website at www.sto.de in the 'Investor Relations' section under the category 'Corporate Governance & Compliance'.

### 4.1 Personally liable partner

#### 4.1.1 General information

The sole personally liable partner of Sto SE & Co. KGaA is STO Management SE. The personally liable partner is responsible for the management of Sto SE & Co. KGaA in accordance with the statutory amendments to the German Stock Corporation Act and the Articles of Association of the Company. The personally liable partner STO Management SE acts through its management body, i.e. its Executive Board, via which it governs and manages Sto SE & Co. KGaA on behalf of STO Management SE. Within this context, STO Management SE acts under its own authority and in the interests of the Company; this means aiming to achieve sustainable added value while keeping the needs of shareholders, employees, and other stakeholders in mind. In its work, the personally liable partner STO Management SE complies with all statutory regulations, and observes the GCGC as well as other recognised external standards, and Company regulations.

As stated in the Declaration of compliance, the personally liable partner informs that it is guided by the succession planning strategy described below in accordance with Recommendation B.2 of the GCGC as well as the endeavour for diversity in accordance with Recommendation B.1 of the GCGC as set out below under 4.1.2 and also in principle by Recommendations B.3 to B.5 of the GCGC. The personally liable partner, through its supervisory body, ensures long-term succession planning when appointing its management body by specifically observing internal and external persons with extraordinary potential, in some cases also involving external consultants, and is guided by the age limits for the Supervisory Board and the Executive Board, among other things, the standard age limits of the statutory social security system. First-time appointments are made for a shorter period than the statutory maximum appointment period, and premature reappointments within the meaning of B.5 of the GCGC are regularly avoided.

The personally liable partner STO Management SE develops the corporate strategy and ensures this strategy is implemented. Its tasks also include drawing up the annual financial statement of Sto SE & Co. KGaA, the consolidated annual financial statement of the Sto

Group, the half-year financial report, and the interim reports. It makes arrangements that are necessary in order to ensure compliance with legal requirements and company-internal directives within the Sto Group (see Section '3.2 Compliance/Measures relating to corporate governance'), and is responsible for the establishment and further development of the internal control and risk management system. Detailed information about risk management is provided in the Group management report, which is part of this Annual report.

#### 4.1.2. Diversity, information concerning Sections 76, 111 of the German Stock Corporation Act (AktG)

Due to its legal form of organisation, Sto SE & Co. KGaA does not have an Executive Board, but has a personally liable partner – i.e. the legal entity that is STO Management SE – meaning that it cannot have a diversity concept or any requirements for men and women in the body authorised to represent the Company; Section 76 (3a) of the German Stock Corporation Act does not apply to it due to the legal form of organisation. For information purposes only, it is hereby disclosed that in the financial year 2024, the Executive Board of the personally liable partner consisted of three men and one woman from January to August, four men and one woman from September to December, and three men and one woman since January 2025.

In accordance with Section 76 (4) of the German Stock Corporation Act (AktG), Executive Boards of listed companies are legally required to set target figures for the percentage of women at the two management levels below the Executive Board. At Sto SE & Co. KGaA, which does not have an Executive Board due to its legal form of organisation, this is the responsibility of the personally liable partner STO Management SE in accordance with Section 278 (3) of the German Stock Corporation Act (AktG). The latter promotes diversity as required by the GCGC, which it considers an important success factor for the future of the Group. Sto SE & Co. KGaA endeavours to include people of different age groups, professional qualifications, educational or professional backgrounds and genders in the composition of the Supervisory Board – as well as in the workforce. The Nomination Committee and Supervisory Board also take account of this when submitting nomination proposals to the Annual General Meeting. Furthermore, industry-specific conditions and the current proportion of women in the workforce were also taken into account when setting the target quotas.

The Executive Board of the personally liable partner STO Management SE had originally established the goal of achieving a women's quota of 4.0 % for management positions a level below the personally liable partner, i.e. the division manager level, and of 20.0 % for the department manager level by 31 December 2025. As at 31 December 2024, 5.0 % of the management positions at the division management level and 10.7 % of the department manager positions were held by women. By 31 December 2025, these percentages are expected to be at 5.0 % and 9.1 % respectively.

Despite the relevant requests having been submitted during the process of searching for candidates, it was not possible to find a suitable female candidate in each case during the 2024 financial year. This means that the proportion of women at the second management level still falls short of the set quota target.

## 4.2 Supervisory Board

The Supervisory Board of Sto SE & Co. KGaA monitors and advises the personally liable partner STO Management SE in the management of its business. Furthermore, it checks for compliance with the statutory disclosure rules in the manner detailed by the Supervisory Board and is directly involved in all decisions of fundamental importance to Sto SE & Co. KGaA. The work of the Supervisory Board is governed by statutory regulations, the Articles of Association, the GCGC as well as by internal rules of procedure. The latest versions of these are available on the Company website at www.sto.de and can be found under 'Geschäftsordnung Aufsichtsrat' (Supervisory Board Internal Rules of Procedure) by going to the 'Investor Relations' section and selecting the 'Corporate Governance & Compliance' category.

In comparison to the Supervisory Board of an Aktiengesellschaft (German public limited company), the rights and obligations of the Supervisory Board of Sto SE & Co. KGaA are restricted. For instance, it does not have the authority to appoint personally liable partners or their corporate bodies. Nor is it authorised to specify their contractual conditions, to adopt rules of procedure relating to management, or to specify business transactions requiring approval. In relation to the Executive Board as the management body of STO Management SE, these tasks are performed by its Supervisory Board.

The Supervisory Board discusses business development and planning as well as the strategy, including the sustainability strategy and its implementation, at regular intervals. It audits the annual and consolidated financial statement, the management report of Sto SE & Co. KGaA and the Group, including the Group sustainability statement contained therein and the dependent company report. It approves the annual and consolidated financial statements, based on the results of the preliminary audit carried out by the Audit Committee, and the auditor's reports. The Supervisory Board decides on the personally liable partner's proposal for the appropriation of net income and the Supervisory Board's report to the Annual General

20250904057796

Meeting. Together with the personally liable partner, the Supervisory Board is responsible for the Remuneration report. In addition, the Supervisory Board monitors compliance management and, in particular, also handles sustainability issues that fall under the heading of Environmental, Social and Governance (ESG). The Supervisory Board regularly receives reports from the personally liable partner concerning the Sto sustainability strategy and the status of its implementation. The Supervisory Board deals with the opportunities and risks associated with social and environmental factors on behalf of Sto, as well as the ecological and social impact of the business activities. The Supervisory Board and the Audit Committee also deal with the sustainability statement that has been integrated into the Group management report since the 2025 financial year, which was prepared in accordance with the requirements of the CSRD and ESRS and which Sto SE & Co. KGaA has subjected to a voluntary limited assurance audit by the auditor for the 2024 financial year. The consolidated annual financial statement and Group management report, including the consolidated sustainability statement of the Sto Group contained therein, and the annual financial statement and management report of Sto SE & Co. KGaA are examined in detail by the Supervisory Board on the basis of the earnings of the auditor, the audit procedures of its Audit Committee and as part of its activities in the full Supervisory Board. The personally liable partner discusses the half-year financial report and the interim reports produced within the first and second half year with the Chairperson of the Supervisory Board and the Chairperson of the Audit Committee, who consult with the other members of the Supervisory Board. Together with the personally liable partner STO Management SE, the Supervisory Board prepares the Remuneration report in accordance with Section 162 of the German Stock Corporation Act and submits it to the auditor for audit.

Committee meetings are held regularly to prepare for Supervisory Board meetings (see the following details under 'Committees' in this report) and separate preparatory meetings are held for shareholder and workers' representatives. The Supervisory Board also meets regularly without the personally liable partner. Each Supervisory Board member must disclose any conflicts of interest to the Supervisory Board.

The Supervisory Board of Sto SE & Co. KGaA held seven meetings in the 2024 financial year. The details of the work undertaken by the Supervisory Board and focal points of its meetings and committees are explained in depth in the report of the Supervisory Board.

### 4.2.1 Efficiency review and professional development

The Supervisory Board and its committees regularly review how effectively the Supervisory Board is performing its tasks internally and with the involvement of external advisors. In the 2024 financial year, the Supervisory Board conducted an internal efficiency review as part of a separate organisational and professional-development session without any representatives from the personally liable partner present. During this session, it addressed the efficiency of its monitoring and advisory activities in separate agenda items and received training on the new requirements associated with current legislation. The review was carried out in particular at the organisational meeting as part of a comprehensive self-analysis by all members present, analysing the changes to previous meetings in the sense of a progress analysis and defining a catalogue of measures for further optimisation. The organisational analysis took the form of a PDCA (Plan, Do, Check, and Act) cycle. An external lawyer was on hand at the meeting to assist with any legal questions that arose. The results of the review confirmed that cooperation is professional, constructive, critical, and characterised by a high level of trust as well as openness – both internally within the Supervisory Board and in its dealings with the management and supervisory bodies of the personally liable partner STO Management SE. The organisational meeting confirmed that meetings are organised and conducted efficiently, and that there is an adequate supply of information. No fundamental need for change was identified. Individual suggestions were and are being taken on board and implemented. Within this context, attention was – and is – paid to ensuring that the members of the Supervisory Board undertake adequate professional development which primarily covers current developments in the legal requirements for the Supervisory Board and the Company, but also issues relating to the Company's business. Especially after new elections, an onboarding and repetition process is carried out for the members of the Supervisory Board through comprehensive information and training.

### 4.2.2 Committees

To increase the efficiency of the activities of the Supervisory Board, technically qualified committees are formed. The members of the committees are listed in the overview below. In 2024, the Audit Committee and the Finance Committees met regularly and the Nomination Committee met once to deal with complex issues in advance of the Supervisory Board meetings and to prepare the results for the full Supervisory Board. The work of the committees is described in detail in the report of the Supervisory Board. The composition of the committees is shown in the list below under 'Composition of the Supervisory Board and its committees'.

In particular, the Audit Committee monitors the accounting, and the accounting process. It is responsible for the preliminary audit of the annual and consolidated financial statements as well as the management report of Sto SE & Co. KGaA and the Group management

report of the Sto Group, including the Group sustainability statement contained therein. On the basis of the auditor's report on the audit of the financial statements, it submits proposals for the approval of the annual and consolidated annual financial statements by the Supervisory Board following its own preliminary audit. The Audit Committee is responsible for discussing the half-year financial report with the personally liable partner and the auditor. The Audit Committee also deals with reporting on non-financial topics and sustainability as well as special topics such as a European Market Infrastructure Regulation (EMIR) audit in accordance with Section 20 of the German Securities Trading Act (WpHG). Furthermore, the Audit Committee is tasked with checking the regulations governing company compliance and checking the risk monitoring system, the suitability and effectiveness of the Company's Internal control system, the risk management system, and the internal auditing system. Internal Group audit reports regularly to the Audit Committee. The Audit Committee prepares the Supervisory Board's proposal to the Annual General Meeting on the election of the auditor and the auditor of the sustainability statement (reporting in accordance with CSRD) and submits a corresponding recommendation to the Supervisory Board. Before submitting the nomination proposal, the Audit Committee examines whether there are any doubts about the independence of the proposed auditor. The Supervisory Board issues the audit mandate to the auditor following the resolution of the Annual General Meeting. The Audit Committee monitors the audit as well as the selection, independence, qualification, rotation and efficiency of the auditor and the services provided by the auditor. The planned non-audit services are approved on the basis of a pre-approval catalogue for the following year. Additional non-audit services are also approved by the Audit Committee prior to assignment. It regularly assesses the quality of the audit. The Supervisory Board is also in regular dialogue with the auditor outside of meetings via the Chairperson of the Audit Committee. The Audit Committee regularly consults with the auditor without the Executive Board. The chairperson of the Audit Committee also discusses the progress of the audit with the auditor outside of meetings.

According to the provisions of the German Stock Corporation Act, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing. According to the GCGC, the expertise in the area of accounting must consist of specialist knowledge and experience in the application of accounting principles and use of internal control and risk management systems, while the auditing expertise must consist of specialist knowledge and experience in auditing, including accounting and auditing of financial statements as well as sustainability statement and the auditing thereof.

The Supervisory Board and its Audit Committee each have at least one member with expertise in the field of accounting, Dr Stotmeister, and at least one other member with expertise in the field of auditing, Dr Neumann-Schäfer, the Chairperson of the Audit Committee until 19 June 2024, and Mr Wöhrle, the Chairperson of the Audit Committee from 19 June 2024. The CVs of Dr Neumann-Schäfer, Mr. Wöhrle and Dr Stotmeister are published on the Company's website at www.sto.de, where they can be found by selecting 'Führung und Management' (Leadership and Management) and then 'Aufsichtsrat der Sto SE & Co. KGaA' (Sto SE & Co. KGaA's Supervisory Board). As can be seen from the CVs, both Dr Neumann-Schäfer as well as Mr Wöhrle have many years of experience in auditing and sustainability after having served as a Chief Financial Officers (CFOs) and as members of various supervisory board audit committees at other listed companies. They also have detailed knowledge and experience in the area of accounting as well as internal control and risk management systems. Dr Stotmeister has proven academic and practical experience and knowledge of accounting principles and internal control and risk management systems from her university research, her doctorate and her work as an investment manager. Dr Neumann-Schäfer, who as a financial expert has the special knowledge required for this office, is independent, is not simultaneously Chairperson of the Supervisory Board and was not been a member of the Executive Board during the last two financial years. Mr Wöhrle, who as a financial expert also has the special knowledge required for this office, is independent, is not also Chairperson of the Supervisory Board and was only the Chief Financial Officer of the personally liable partner STO Management SE until 31 December 2023. As already stated in the Declaration of compliance, the personally liable partner and the Supervisory Board of Sto SE & Co. KGaA do not consider this to be a circumstance impairing independence.

In particular, the Finance Committee has the task of reviewing and discussing the Company's investment priorities on the basis of the Company's overall strategy. In addition, it prepares the Supervisory Board's discussion of the financial situation and organisation of the Company, including the annual planning (budget) as well as investments in property, plant and equipment, and financial measures.

A Nomination Committee is formed if there are upcoming Supervisory Board elections. The Nomination Committee is tasked with proposing suitable candidates to the Supervisory Board for the election of Supervisory Board members representing shareholders at the Annual General Meeting. In addition to the required knowledge, skills and professional experience of the proposed candidates, the targets specified by the Supervisory Board for its composition are to be adequately taken into account, while at the same time

20250904057797

endeavouring to fulfil the competence profile. The Nomination Committee met once in 2024, following a change to the Supervisory Board with the departure of Dr Neumann-Schäfer from the Supervisory Board and the election of Mr Wöhrle.

### 4.2.3 Composition of the Supervisory Board and its committees

In accordance with the German Co-Determination Act, the Supervisory Board is made up of an equal number of shareholder and workers' representatives. The Supervisory Board members representing the shareholders are elected by the Annual General Meeting with a simple majority. Elections to the Supervisory Board are regularly held as individual elections. The employees' Supervisory Board members are elected in accordance with the provisions of the Co-Determination Act.

There were no amendments to the composition of the workers' representatives in the 2024 financial year. There was an amendment to the composition of the members to be elected by the shareholder representatives due to the retirement of Dr Neumann-Schäfer from the Supervisory Board and as Chairperson of the Audit Committee at the Annual General Meeting of Sto SE & Co. KGaA on 19 June 2024 in line with the age limit and rotation schedule. The aforementioned Annual General Meeting elected Mr Wöhrle as a new member of the Supervisory Board. The Supervisory Board then elected Mr Wöhrle as Chairperson of the Audit Committee. In accordance with the provisions of the German Stock Corporation Act and the German Co-Determination Act as well as the Articles of Association of Sto SE & Co. KGaA, the Supervisory Board of Sto SE & Co. KGaA had equal representation of shareholder and employee representatives in the 2024 financial year as follows:

**Peter Zürn**
Bretzfeld-Weißlensburg/Germany, Kaufmann (merchant), Member of the Supervisory Board since 27 June 2007, Chairperson of the Supervisory Board since 22 June 2022, Chairperson of the Nomination Committee since 22 June 2022

**Niels Markmann***
Gelsenkirchen/Germany, Chairperson of the General Works Council and Chairperson of the Works Council for the North-West Sales Region, Sto SE & Co. KGaA, Member of the Supervisory Board since 24 April 2020, Deputy Chairperson of the Supervisory Board since 22 June 2022, Member of the Finance Committee

**Maria H. Andersson**
Munich/Germany, Family Officer, Partner, Managing Director, Member of the Supervisory Board since 14 June 2017, Chairperson of the Finance Committee since 14 June 2017

**Thade Bredtmann***
Pfalzgrafenweiler/Germany, Vice President Human Resources Sto Group, Member of the Supervisory Board since 22 June 2022, Member of the Audit Committee

**Klaus Dallwitz***
Maintal/Germany, Order Acceptance and Route Scheduling Administrator, Sto SE & Co. KGaA, Member of the Supervisory Board since 22 June 2022

**Catharina van Delden**
Munich/Germany, entrepreneur, Member of the Supervisory Board since 22 June 2022

**Petra Hartwig***
Bad Zwesten/Germany, Trade Union Secretary at IG BCE, District Manager for the district of Kassel, Member of the Supervisory Board since 22 June 2022

**Frank Heßler***
Mannheim/Germany, Political Trade Union Secretary, Deputy Regional Manager of IG BCE for the regional district of Baden-Württemberg, Member of the Supervisory Board since 14 June 2017

**Barbara Meister***
Blumberg/Germany, Chairperson of the Stühlingen Works Council, Sto SE & Co. KGaA, Member of the Supervisory Board since 1 June 2010, Member of the Finance Committee, Member of the Audit Committee

**Dr Renate Neumann-Schäfer**
Überlingen/Germany, Corporate consultant, Economist, Member of the Supervisory Board from 14 June 2017 to 19 June 2024, Chairperson of the Audit Committee from 14 June 2017 to 19 June 2024

**Prof Dr Klaus Peter Sedlbauer**
Rottach-Egern/Germany, Chair of Building Physics at the Technical University of Munich, Member of the Supervisory Board since: 27 June 2007, Member of the Nomination Committee

**Dr Kirsten Stotmeister**
Lauchringen/Germany, Family Office Head of Finance/Treasury, Member of the Supervisory Board since 22 June 2022, Member of the Audit Committee, Member of the Finance Committee, Member of the Nomination Committee

**Rolf Wöhrle**
Bad Dürrheim/Germany, Board Member, Member of the Supervisory Board since 19 June 2024, Chairperson of the Audit Committee since 19 June 2024

* Employee representatives

In principle, the current term of office ends at the end of the Annual General Meeting in 2027. When proposing new members, the Supervisory Board must ascertain that the candidates can invest the necessary time involved and must examine their personal and business relationships with the Company, its corporate bodies, and major shareholders, any other criteria listed in C.6 of the GCGC concerning the independence of the candidates, while also ensuring that the necessary fields of expertise are covered to the required extent.

### 4.2.4 Diversity of the Supervisory Board/age limit

In accordance with Section 96 Paragraph 2 Sentence 1 of the German Stock Corporation Act, it must be ensured that at least 30 % of the Supervisory Board consists of women or men respectively when new members are being appointed to the Supervisory Board of co-determined listed companies. The minimum percentage must be fulfilled by the Supervisory Board as a whole, unless the shareholder or the employee representatives object to the overall fulfilment in accordance with Section 96 (2) Sentence 3 of the German Stock Corporation Act (AktG). A corresponding objection was resolved and declared by the Supervisory Board of Sto SE & Co. KGaA by both the shareholder representatives and the workers' representatives. Accordingly, the body is to include at least two women or men, respectively, on the side of both the shareholders and the workers' representatives. This obligation has been fulfilled in full: until 19 June 2024, four of the six shareholder representatives were women; since 19 June 2024, three of the six shareholder representatives and continuously two of the six workers' representatives on the Supervisory Board of Sto SE & Co. KGaA have been women.

In Section 2 (1) of its Internal Rules of Procedure, the Supervisory Board stipulates that Supervisory Board members should not normally serve beyond the end of the Annual General Meeting following the completion of their 70th year of age.

### 4.2.5 Expertise and diversity targets, and skills profile

The composition of the Supervisory Board ensures that it has the necessary expertise, skills, and professional experience required to properly carry out its tasks. All members of the Supervisory Board member are proven experts in their respective fields. At its meeting on 29 February 2024, the Supervisory Board resolved to update its competence profile, which also includes the diversity objectives within the meaning of Section 298f. no. 6 of the German Commercial Code (HGB).

The skills profile is published on the Company's website at www.sto.de, where it can be found by selecting 'Führung und Management' (Leadership and Management) and then 'Aufsichtsrat der Sto SE & Co. KGaA' (Sto SE & Co. KGaA's Supervisory Board).

**Skills profile matrix for the Supervisory Board of Sto SE & Co. KGaA**
(Dr Neumann-Schäfer until and Mr Wöhrle from 19 June 2024)

| Experiences & knowledge | Maria H. Andersson | Thade Bredtmann | Klaus Dallwitz | Catharina van Delden | Petra Hartwig | Frank Heßler | Niels Markmann | Barbara Meister | Dr Renate Neumann-Schäfer | Prof. Dr Klaus Peter Sedlbauer | Dr Kirsten Stotmeister | Rolf Wöhrle | Peter Zürn |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Managing corporate groups, companies, associations, and networks | x | x | | x | x | x | | | x | x | | x | x |
| Construction sector (construction & construction supply sector), connected value chains & markets | x | x | x | | | x | x | x | x | x | x | x | x |
| Finance, accounting, legal affairs, and risk management (compliance and governance), sustainability & CSRD, accounting and auditing of financial statements (financial expert) | x | | | | | | | | x | | x | x | |
| Sustainability, internationalisation, innovation, research, development & technology | | x | | x | | | | | | x | | | |
| Digitisation, IT, business models, production technology | x | | | x | | | | x | x | x | | x | x |
| Sales & marketing, human resources, HR development, social affairs, communications, media | x | x | x | x | x | x | x | x | x | | | x | x |
| Economic sectors other than the construction sector | x | x | | x | x | x | | | x | x | x | x | x |

20250904057798

The Supervisory Board will review the competence profile and targets on a regular basis and report on the further development and achievement of the targets. The status of implementation is disclosed annually in the form of a qualification matrix in the Corporate governance statement. The current skills matrix is shown in the following list.

As explained above, the Supervisory Board consists of five women and seven men. At the time of drawing up this report, the ages of the members ranged from 40 to 65. The members of the Supervisory Board come from a variety of occupational and educational backgrounds, some of which are commercial/industrial and some of which are academic. Some members have worked as employees and others have been self-employed in the capacity of specialists or senior executives. One member is a professor at a German university. Several nationalities are represented on the Supervisory Board. The Supervisory Board therefore considers its diversity targets to be fulfilled at present.

As can be seen, two out of the six shareholder representatives sitting on the Company's Supervisory Board have been members of the Supervisory Board for more than twelve years. One Member of the Supervisory Board was a member of the Executive Board of the personally liable partner until 31 December 2023. These members do not have any other characteristics indicating a possible dependency within the meaning of Recommendation C.7 of the GCGC. The Supervisory Board is satisfied that – regardless of how long they have been members of the Company's Supervisory Board – these members are sufficiently independent of the Company and the personally liable partner. By virtue of their personal economic and professional circumstances, none of them are in any way reliant on their Supervisory Board activities for the Company. The Company believes that a mix of different experiences, qualifications and backgrounds is the best way to ensure optimal control of the Company.

**Information in accordance with Sections 289a and 315a of the German Commercial Code (HGB) and explanations by the personally liable partner**

Sto SE & Co. KGaA wishes to make clear that only non-voting preference shares in its share capital are traded on an organised market within the meaning of Sections 289a and 315a of the German Commercial Code (HGB). Consequently, the following information is only provided in the interest of transparency but without any legal obligation. The following information reflects the situation as at the balance sheet date of 31 December 2024.

**Composition of subscribed capital**

The subscribed capital of Sto SE & Co. KGaA amounts to a total of EUR 17,556,480.00. It is divided into 4,320,000 registered limited ordinary shares ('ordinary shares') and 2,538,000 limited preference bearer shares ('preference shares') at a notional nominal value of EUR 2.56 each.

**Restrictions on voting rights or the transfer of shares**

To the knowledge of the personally liable partner STO Management SE, there are no restrictions relating to the transfer of preference shares. In accordance with Sections 4 (1), 16 of the articles of association of Sto SE & Co. KGaA, the preference shares do not confer any voting rights. Of the 4,320,000 ordinary shares, a total of 3,888,000 shares were held by the Stotmeister family as at the end of 2024 (Stotmeister Beteiligungs GmbH 3,887,996 shares, Jochen Stotmeister 1 share, Gerd Stotmeister 1 share, Helga Stotmeister 1 share, Heidi Heimburger 1 share), while 432,000 shares were held by Sto SE & Co. KGaA as at the end of 2024. As registered shares, the transferability of the ordinary shares held by the family is restricted by the requirement of approval by the Company, represented by the personally liable partner (and by internal family agreements), and is not otherwise traded on the capital market.

**Direct or indirect shareholdings in capital exceeding 10 % of the voting rights**

The 432,000 ordinary shares held by Sto SE & Co. KGaA do not have any voting rights. As described above, the remaining ordinary shares are held by the Stotmeister family, who thus holds 90 % of what are in principle the shares with voting rights.

**Holders of shares with special rights**

At Sto SE & Co. KGaA, there are 2,538,000 preference shares with a special right in the form of an advance dividend in the amount of EUR 0.06 as well as a minimum dividend in the amount of EUR 0.13 per preference share in accordance with Section 16 of the articles of association of Sto SE & Co. KGaA.

**Type of control of voting rights in case of employee shareholdings**

The employees have no autonomous shareholding in Sto SE & Co. KGaA. Nevertheless, no employee is prevented from acquiring and selling preference shares on the capital market.

**Appointment and dismissal of the Management Board as well as amendments to the articles of association**

In the legal form of a 'Kommanditgesellschaft auf Aktien' (KGaA, partnership limited by shares), the personally liable partner has the legal authority to manage and represent the Company. The personally liable

partner of Sto SE & Co. KGaA is STO Management SE. It acts through its Executive Board. The co-determined Supervisory Board of Sto SE & Co. KGaA is not authorised to appoint or dismiss the personally liable partner or its Executive Board as the management body of STO Management SE. Rather, the personally liable partner has joined the Company by means of a declaration. The appointment and dismissal of the Executive Board of STO Management SE is carried out by the Supervisory Board of STO Management SE in accordance with the provisions of the articles of association and the law. As stipulated by Sections 278 (3), 133, 179 of the German Stock Corporation Act (AktG), amendments to the articles of association of Sto SE & Co. KGaA require a resolution by the Annual General Meeting of Sto SE & Co. KGaA. This resolution requires a majority of at least three quarters of the voting share capital represented at the adoption of the resolution. Furthermore, amendments to the articles of association also require the consent of the personally liable partner STO Management SE in accordance with Section 285 (2) of the German Stock Corporation Act (AktG).

**Powers of the personally liable partner STO Management SE, in particular with regard to the possibility of issuing or buying back shares**

At Sto SE & Co. KGaA there is currently neither authorised nor contingent capital; no share buyback programme is in place either.

**Material agreements of the Company under the condition of a change of control following a takeover bid**

With the exception of a syndicated loan contract, the Company has not entered into any significant agreements which would become effective in the case of a change in control. The aforementioned syndicated loan contract stipulates legal consequences in the case that 50 % or more of the capital shares or voting rights in Sto SE & Co. KGaA are to be transferred to one or more persons acting in concert. This does not apply as long at Stotmeister Beteiligungs GmbH directly or indirectly holds more than 50 % of the capital shares and more than 50 % of the voting rights in Sto SE & Co. KGaA.

**Compensation agreement of the Company with the members of the management body of the personally liable partner or employees in the event of a takeover bid**

The Company has not entered into any compensation agreements with the members of the Executive Board of the personally liable partner or employees in the event of a takeover bid.

2025090405799

Sto SE & Co. KGaA, Stühlingen/Germany

# Consolidated annual financial statements of the Sto Group (IFRS)

- Consolidated statement of profit or loss
- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Consolidated statement of cash flows
- Notes to the consolidated financial statements

Sto SE & Co. KGaA, Stühlingen/Germany

# Consolidated statement of profit or loss for 2024

| in EUR K | Notes | 2024 | 2023 |
|---|---|---|---|
| 1. Revenue | (1) | 1,612,311 | 1,718,027 |
| 2. Changes in product inventories | | –3,025 | –6,942 |
| 3. Other internally generated assets capitalised | (2) | 259 | 367 |
| **Total revenues** | | **1,609,545** | **1,711,452** |
| 4. Other operating income | (3) | 21,817 | 28,030 |
| 5. Cost of material | (4) | –735,979 | –788,168 |
| 6. Personnel expenses | (5) | –435,236 | –436,654 |
| 7. Other operating expenses | (6) | –330,049 | –320,906 |
| 8. Impairment (net) of financial assets | (7) | –3,125 | –1,488 |
| **EBITDA (earnings before taxes, net financial income/expense, depreciation and amortisation)** | (8) | **126,973** | **192,266** |
| 9. Depreciation/amortisation of Intangible assets, Property, plant, and equipment as well as Rights of use | (8) | –68,162 | –65,764 |
| **EBIT** | | **58,811** | **126,502** |
| 10. Earnings from financial assets accounted for using the equity method | (9) | 92 | 189 |
| 11. Interest and similar income | (10) | 9,839 | 7,618 |
| 12. Interest and similar expenses | (10) | –7,869 | –6,909 |
| **EBT** | | **60,873** | **127,400** |
| 13. Taxes on income and earnings | (11) | –23,251 | –41,636 |
| **EAT** | | **37,622** | **85,764** |
| **of which:** | | | |
| Share of minority interests | | 5 | –315 |
| Share of earnings attributable to the shareholders of Sto SE & Co. KGaA | | 37,617 | 86,079 |
| **Earnings per share basic/diluted in EUR** | | | |
| Limited ordinary share | (12) | 5.83 | 13.37 |
| Limited preference share | (12) | 5.89 | 13.43 |

20250904058800

Sto SE & Co. KGaA, Stühlingen/Germany

# Consolidated statement of comprehensive income 2024

| in EUR K | 2024 | 2023 |
|---|---|---|
| **EAT** | **37,622** | **85,764** |
| **FVOCI valuation** | | |
| Valuation changes recognised in equity | –93 | 929 |
| Deferred taxes | 26 | –290 |
| **FVOCI valuation after taxes** | **–67** | **639** |
| **Currency translation** | | |
| Currency translation differences | 1,940 | –1,759 |
| **Earnings to be reclassified in the statement of profit or loss in future periods** | **1,873** | **–1,120** |
| **Revaluation of pension obligations** | | |
| Profits/losses from the revaluation of defined benefit plans | 2,519 | –7,703 |
| Deferred taxes | –772 | 2,119 |
| **Earnings not to be reclassified in the statement of profit or loss in future periods*** | **1,747** | **–5,584** |
| **Other earnings after taxes** | **3,620** | **–6,704** |
| **Total comprehensive earnings after taxes** | **41,242** | **79,060** |
| **of which:** | | |
| Share of minority interests | 5 | –315 |
| Share of earnings attributable to the shareholders of Sto SE & Co. KGaA | 41,237 | 79,375 |

*For further explanations concerning equity, see Note (22). For further explanations on the revaluation of pension obligations, see Note (24).

Sto SE & Co. KGaA, Stühlingen/Germany

# Consolidated statement of financial position as at 31 December 2024

| in EUR K | | Notes | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|---|---|
| **Assets** | | | | |
| **A. Non-current assets** | | | | |
| I. | Intangible assets | (13) | 54,549 | 53,984 |
| II. | Property, plant, and equipment | (14) | 298,226 | 301,743 |
| III. | Rights of use | (15) | 100,129 | 99,049 |
| IV. | Financial assets accounted for using the equity method | (16) | 2,508 | 2,416 |
| **Fixed assets** | | | **455,412** | **457,192** |
| V. | Non-current trade receivables | (18) | 958 | 873 |
| VI. | Non-current other financial assets | (19) | 74,558 | 90,673 |
| VII. | Non-current other assets | (20) | 800 | 1,303 |
| VIII. | Deferred tax assets | (11) | 20,820 | 18,014 |
| **Other non-current assets** | | | **97,136** | **110,863** |
| **Total non-current assets** | | | **552,548** | **568,055** |
| **B. Current assets** | | | | |
| I. | Inventories | (17) | 151,076 | 161,323 |
| II. | Current trade receivables | (18) | 164,138 | 166,079 |
| III. | Current income tax receivables | | 15,308 | 4,790 |
| IV. | Current other financial assets | (19) | 141,396 | 116,136 |
| V. | Current other assets | (20) | 22,919 | 26,137 |
| VI. | Cash and cash equivalents | (21) | 110,932 | 122,278 |
| **Total current assets** | | | **605,769** | **596,743** |
| **Total assets** | | | **1,158,317** | **1,164,798** |

20250904058O1

| in EUR K | | Notes | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|---|---|
| **Equity and liabilities** | | | | |
| **A. Equity** | | | | |
| I. | Subscribed capital | (22) | 17,556 | 17,556 |
| II. | Capital reserves | (22) | 57,804 | 57,804 |
| III. | Revenue reserves and other reserves | (22) | 668,148 | 653,907 |
| **Share attributable to the shareholders of Sto SE & Co. KGaA** | | | **743,508** | **729,267** |
| IV. | Share of minority interests | (23) | 20 | 20 |
| **Total equity** | | | **743,528** | **729,287** |
| **B. Non-current provisions and liabilities** | | | | |
| I. | Provisions for pensions and similar liabilities | (24) | 90,209 | 91,481 |
| II. | Non-current other provisions | (25) | 18,531 | 16,457 |
| III. | Non-current borrowings | (26) | 0 | 20 |
| IV. | Non-current lease liabilities | (27) | 77,062 | 79,114 |
| V. | Non-current trade payables | (28) | 71 | 202 |
| VI. | Non-current other financial liabilities | (29) | 2,353 | 6,302 |
| VII. | Other non-current liabilities | (30) | 8 | 292 |
| VIII. | Deferred tax liabilities | (11) | 1,467 | 797 |
| **Total non-current provisions and liabilities** | | | **189,701** | **194,665** |
| **C. Current provisions and liabilities** | | | | |
| I. | Current other provisions | (25) | 35,222 | 30,183 |
| II. | Current borrowings | (26) | 1,723 | 2,615 |
| III. | Current lease liabilities | (27) | 25,536 | 21,855 |
| IV. | Current trade payables | (28) | 58,630 | 67,785 |
| V. | Current income tax liabilities | | 11,242 | 12,950 |
| VI. | Current other financial liabilities | (29) | 38,815 | 45,250 |
| VII. | Current other liabilities | (30) | 51,471 | 60,208 |
| VIII. | Current contract liabilities | | 2,449 | - |
| **Total current provisions and liabilities** | | | **225,088** | **240,846** |
| **Total debt capital** | | | **414,789** | **435,511** |
| **Total equity and liabilities** | | | **1,158,317** | **1,164,798** |

# Sto SE & Co. KGaA, Stühlingen/Germany
# Consolidated statement of changes in equity as at 31 December 2024

| in EUR K | Equity attributable to the shares of the parent company | | | |
|---|---|---|---|---|
| | Subscribed capital | Capital reserves | Revenue reserves | Currency translation reserve |
| Notes | (22) | (22) | (22) | (22) |
| **As at 1 January 2023** | **17,556** | **57,804** | **633,010** | **5,304** |
| EAT | 0 | 0 | 86,079 | 0 |
| Other earnings after taxes | 0 | 0 | 0 | –1,759 |
| **Total comprehensive earnings** | **0** | **0** | **86,079** | **–1,759** |
| Dividend payout | 0 | 0 | –31,897 | 0 |
| Changes to the companies consolidated | 0 | 0 | 0 | 98 |
| Transactions with owners | 0 | 0 | –2,273 | 0 |
| **As at 31 Dec 2023** | **17,556** | **57,804** | **684,919** | **3,643** |
| **As at 1 January 2024** | **17,556** | **57,804** | **684,919** | **3,643** |
| EAT | 0 | 0 | 37,617 | 0 |
| Other earnings after taxes | 0 | 0 | 0 | 1,940 |
| **Total comprehensive earnings** | **0** | **0** | **37,617** | **1,940** |
| Dividend payout | 0 | 0 | –31,897 | 0 |
| Changes to the companies consolidated | 0 | 0 | 0 | 882 |
| Transactions with owners | 0 | 0 | 4,019 | 0 |
| **As at 31 Dec 2024** | **17,556** | **57,804** | **694,658** | **6,465** |

For further details on equity, see Note (22) et seq.

2025090405802

| | Reserve for pensions | Reserve for FVOCI valuation | Treasury stock | Total | Share of minority interests | Total equity |
|---|---|---|---|---|---|---|
| | (22/24) | (22) | (22) | | (23) | |
| | −6,401 | −254 | −23,055 | 683,964 | 1,093 | 685,057 |
| | 0 | 0 | 0 | 86,079 | −315 | 85,764 |
| | −5,584 | 639 | 0 | −6,704 | 0 | −6,704 |
| | **−5,584** | **639** | **0** | **79,375** | **−315** | **79,060** |
| | 0 | 0 | 0 | −31,897 | −150 | −32,047 |
| | 0 | 0 | 0 | 98 | 0 | 98 |
| | 0 | 0 | 0 | −2,273 | −608 | −2,881 |
| | **−11,985** | **385** | **−23,055** | **729,267** | **20** | **729,287** |
| | **−11,985** | **385** | **−23,055** | **729,267** | **20** | **729,287** |
| | 0 | 0 | 0 | 37,617 | 5 | 37,622 |
| | 1,747 | −67 | 0 | 3,620 | 0 | 3,620 |
| | **1,747** | **−67** | **0** | **41,237** | **5** | **41,242** |
| | 0 | 0 | 0 | −31,897 | −5 | −31,902 |
| | 0 | 0 | 0 | 882 | 0 | 882 |
| | 0 | 0 | 0 | 4,019 | 0 | 4,019 |
| | **−10,238** | **318** | **−23,055** | **743,508** | **20** | **743,528** |

# Sto SE & Co. KGaA, Stühlingen/Germany
# Consolidated statement of cash flows for 2024

| in EUR K | Notes | 2024 | 2023 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| **EAT** | | **37,622** | **85,764** |
| Reconciliation of EAT and cash flow from operating activities | | | |
| Taxes on income and earnings | (11) | 23,251 | 41,636 |
| Net financial income/expense | (9/10) | – 2,062 | –898 |
| **EBIT** | | **58,811** | **126,502** |
| Depreciation/appreciation of fixed assets | (8) | 68,162 | 65,764 |
| Earnings from disposal of fixed assets | | –867 | –442 |
| Earnings from the disposal of consolidated companies and other business units | | –260 | –316 |
| Other non-cash expenses/income | | 501 | 905 |
| Income taxes paid | | –39,326 | –38,131 |
| Change in provisions | | 12,698 | –394 |
| Change in net current assets | | –9,203 | 17,030 |
| **Cash flow from operating activities** | | **90,516** | **170,918** |
| **Cash flow from investment activities** | | | |
| Investments in Property, plant, and equipment, and Intangible assets | (13 / 14) | –36,197 | –46,643 |
| Payments for the acquisition of consolidated companies and other business units (less acquired cash and cash equivalents) | | –3,738 | 0 |
| Payments received from other disposal of Intangible assets and Plant, property, and equipment | | 2,000 | 2,454 |
| Payment received from the disposal of consolidated companies and other business units (less cash and cash equivalents disposed of) | | –3,521 | 729 |
| Interest payments received | | 8,345 | 5,159 |
| Disbursements for financial investments | | –119,177 | –198,944 |
| Deposits from financial investments | | 114,032 | 133,415 |
| **Cash flow from investment activities** | | **–38,256** | **–103,830** |
| **Cash flow from financing activities** | | | |
| Payments to minority shareholders | | –5 | –1,676 |
| Disbursements for the repayment portion of the lease liabilities | (27) | –26,018 | –23,390 |
| Payments for non-current borrowings | (26 / 33) | –894 | –1,291 |
| Payments received for current borrowings | (26 / 33) | 32 | 0 |
| Payments for current borrowings | (26 / 33) | –998 | –1,064 |
| Dividend payout | (12) | –31,897 | –31,897 |
| Payments of interest | | –4,335 | –3,376 |
| **Cash flow from financing activities** | | **–64,115** | **–62,694** |
| Change in cash and cash equivalents from changes in exchange rates | | 406 | – 1,520 |
| Changes in cash and cash equivalents due to expected losses on cash and cash equivalents in accordance with IFRS 9 | | 103 | – 19 |
| **Cash and cash equivalents at the beginning of the period** | (21) | **122,278** | **119,423** |
| **Change in cash and cash equivalents** | | **–11,346** | **2,855** |
| **Cash and cash equivalents at the end of the period*** | (21) | **110,932** | **122,278** |

The statement of cash flows is explained in Note (31).

* Cash and cash equivalents at the end of period equal the item Cash and cash equivalents shown in the balance sheet.

202509040580 3

Sto SE & Co. KGaA, Stühlingen/Germany

# Notes to the consolidated financial statements as at 31 December 2024

## General information

### 1. Information on the Company

Sto SE & Co. KGaA and its connected, dependent Group companies manufacture and market products, components, and functional systems – energetic and other – which are used in and on buildings and consist of material components and/or coatings. Services aimed at maintaining the value of buildings also form an integral part of the Company's scope of product.

The only shareholder of the personally liable partner STO Management SE, Stühlingen/Germany, is Stotmeister Beteiligungs GmbH, Stühlingen/Germany, in which the Stotmeister families have bundled their assigned Sto SE & Co. KGaA limited ordinary shares. The Stotmeister families hold investments in Stotmeister Beteiligungs GmbH via four Vermögensverwaltungs GmbH & Co. KGs. There is a syndicate and pool agreement for the uniform exercise of voting rights and thus a control group.

Stotmeister Beteiligungs GmbH is the majority shareholder and ultimate parent company of Sto SE & Co. KGaA. Stotmeister Beteiligungs GmbH prepares the consolidated annual financial statement for the largest group of associated companies. The address of Sto SE & Co. KGaA's registered offices is Ehrenbachstraße 1, 79780 Stühlingen/Germany. It has been entered in the trade register of the district court of Freiburg under number HRB 711236.

Sto SE & Co. KGaA is a listed company. Its limited preference shares are listed in the 'Regulated Market' segment for official trading on the stock exchange operated by Deutsche Börse AG, Frankfurt am Main/Germany as well as Börse Stuttgart AG, Stuttgart/Germany. The other Group companies are engaged in the same business sector as Sto SE & Co. KGaA.

The Consolidated annual financial statement and Management report of Sto SE & Co. KGaA was drawn up on 7 April 2025 by the personally liable partner STO Management SE and will be forwarded to the Supervisory Board of Sto SE & Co. KGaA on 16 April 2025 for approval at the Supervisory Board meeting on 24 April 2025.

### 2. Basis of preparation

Sto SE & Co. KGaA has prepared its consolidated annual financial statement of the Sto Group for the year 2024 in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union and the interpretations issued by the IFRS Interpretations Committee (IFRIC). In addition, the supplementary commercial law provisions pursuant to Section 315e of the German Commercial Code (HGB) were considered.

All standards and interpretations subject to compulsory application have been applied.

**Effects of new accounting standards**

The accounting principles applied remained largely unchanged from the previous year. The following standards and interpretations, which were applied for the first time in 2024, are an exception.

| Standards/ Interpretations | Title | Applicable | Effects |
|---|---|---|---|
| Amendments to IAS 1 | Classification of Liabilities as Current or Non-current | 1 January 2024 | Insignificant |
| Amendments to IFRS 16 | Amendments to IFRS 16 Sale and leaseback | 1 January 2024 | Insignificant |
| Amendments to IAS 7 and IFRS 7 | Stipulated disclosures for reverse factoring arrangements | 1 January 2024 | Not relevant |
| IFRS 8 | Disclosure of income and expenses for segments subject to disclosure rules | 1 January 2024 | Low |

The amendments to IAS 1 clarify that the classification of liabilities as current or non-current is based on the rights that the company has at the balance sheet date.

When assessing whether a right exists, it is not necessary to consider whether the company will exercise its right. An intention to do so therefore has no influence on the classification.

In the event of a breach of loan clauses (e.g. financial covenants) up to the balance sheet date, which entitle the creditor to demand repayment within 12 months of the balance sheet date, the liability continues to be classified as current. This also applies if the creditor waives early repayment after the reporting date.

In principle, the amendments to IFRS 16 relate to minor changes to the subsequent accounting of sale and leaseback transactions. The amendments may have a particular impact on transactions in which the leasing payments include variable payments that are not dependent on an index or an interest rate.

Amendments to IAS 7 and IFRS 7 relate to disclosure requirements for supplier financing agreements (reverse factoring arrangements), which enable investors to assess the impacts on liabilities, cash flows and liquidity risk.

The effects on the assets, liabilities, financial position and profit or loss of the Group are insignificant for the explained standards.

The amendments to IFRS 8 result in additional disclosures of the cost of material and personnel expenses within the Group's segment reporting.

## 3. International Financial Reporting Standards (IFRS) and Interpretations (IFRIC) issued and not yet mandatory

**Accounting standards not applied early**
The IASB and IFRIC have adopted further standards and interpretations which were not applied in the reporting period because either recognition by the EU had still been pending or the application had not yet been mandatory.

The time of application in the Group is always the time when a regulation becomes mandatory.

| Standards/ Interpretations | Title | Applicable | Effects |
|---|---|---|---|
| Amendments to IAS 21 | Lack of exchangeability | 1 January 2025 | Insignificant |
| Amendments to IFRS 9 and IFRS 7 | Classification and valuation of financial instruments | 1 January 2026 | Insignificant |
| Annual improvements to IFRS | | 1 January 2026 | Insignificant |
| IFRS 18 | Presentation and disclosures in the financial statements | 1 January 2027 | Significant |
| IFRS 19 | Subsidiaries without public accountability | 1 January 2027 | Insignificant |

The amendments to IAS 21 supplement the regulations on the exchangeability of currencies. The regulations serve as assistance for companies in determining whether a currency can be exchanged and which spot rate is to be used if this is not the case.

The amendments to IFRS 7 and IFRS 9 clarify the timing of the recognition and derecognition of certain financial assets and liabilities, with the exception of financial liabilities that have an electronic payment system.

In addition, the guidance for assessing whether a financial asset fulfils the cash flow criterion has been clarified and expanded and the disclosures for financial instruments with contingent cash flows have been expanded.

The annual improvements to IFRS provide clarifications and corrections relating to the accounting of hedging by a first-time user in accordance with IFRS 1, the profit or loss on derecognition and disclosures on default risk in accordance with IFRS 7, the derecognition of lease liabilities by the lessee and the transaction price in accordance with IFRS 9, the determination of a "de facto agent" in accordance with IFRS 10 and the acquisition cost method in accordance with IAS 7.

The new accounting standard IFRS 19 stipulates that, subject to local regulations, authorised subsidiaries are voluntarily permitted to apply the recognition and measurement requirements of 'full IFRS' with reduced disclosure requirements specified in the new standard in their separate or subgroup financial statements. Entitled subsidiaries are those that are not publicly accountable at the end of the period and those whose immediate parent company prepares a consolidated annual financial statement in accordance with IFRS that is publicly available.

The effects on the assets, liabilities, financial position and profit or loss of the Group are insignificant for the explained standards.

The main contents of IFRS 18, which regulates the presentation of financial statements and related notes, are the structure of the statement of profit or loss, new performance indicators to be included and extended principles of aggregation and disaggregation that apply to the primary reporting components and the notes in general.

The impacts on the consolidated annual financial statement will lead to changes in the presentation of the statement of profit or loss. Detailed impacts are currently being analysed.

## 4. Companies consolidated

The consolidated annual financial statement of the Sto Group includes Sto SE & Co. KGaA, the national and foreign subsidiaries as well as joint ventures.

Due to the clear allocation, no significant assessments or assumptions were necessary when assessing the companies consolidated.

In the case of subsidiaries, Sto SE & Co. KGaA is able to exercise a controlling influence as defined in IFRS 10. Control as defined in IFRS 10 exists when an investor has exposure or rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investee's returns. In the present

20250904058O4

consolidated annual financial statement, this is the case for shareholdings of more than 50 % without exception.

In the case of joint ventures, Sto can exercise joint control over another company together with at least one other party via contractual agreements. Joint control is the case when decisions on the relevant activities of the company must be taken unanimously. Depending on the rights and obligations of the parties, joint agreements are either joint operations or joint ventures. In joint operations, the controlling parties have direct rights to the assets and obligations to the liabilities. In the case of joint ventures, the parties with joint control have a share in the net assets of the company by virtue of their status as partners. Consolidation was carried out using the equity method and related to Inotec GmbH, Waldshut-Tiengen/Germany.

The companies consolidated are disclosed in Note (40) List of subsidiaries and investments. Sto SE & Co. KGaA hence prepares the consolidated annual financial statement for the smallest group of associated companies. The following fully-consolidated German companies organised as a "Kapitalgesellschaft" (share capital company) or as a 'Personengesellschaft' (private company) according to Section 264a of the German Commercial Code (HGB) have fulfilled the conditions of Section 264 (3) and/or Section 264b of the HGB in terms of preparation facilitation options and disclosure and make use of the exemption rules:

- StoCretec GmbH, Kriftel/Germany
- Innolation GmbH, Lauingen/Germany
- JONAS Farben GmbH, Wülfrath/Germany
- Sto BTN GmbH, Stühlingen/Germany
- Liaver GmbH & Co. KG, Ilmenau/Germany
- Südwest Lacke + Farben GmbH & Co. KG, Böhl-Iggelheim/Germany
- Ströher Produktions GmbH & Co. KG, Dillenburg/Germany
- Gefro Verwaltungs-GmbH & Co. KG, Stühlingen/Germany

## Changes to the companies consolidated

### • Corporate acquisitions

With effect from 1 April 2024, 100 % of the equity shares in the New Zealand sales partner Stoanz Ltd, Wellington / New Zealand, were acquired by Sto SE & Co. KGaA and control was thus obtained in the sense of the incorporation in the consolidated annual financial statement of the Sto Group. The total purchase price was EUR 4,390 K.

Stoanz Ltd is a supplier of facade insulation systems and high-quality exterior and interior render and plaster systems and coatings in New Zealand. The acquisition expands the Sto Group's international presence.

The fair values of identifiable assets and liabilities at the time of acquisition are as follows:

| in EUR K | Fair value as at the time of acquisition |
|---|---|
| Intangible assets | 1,054 |
| Property, plant, and equipment | 144 |
| Rights of use | 1,056 |
| Inventories | 1,944 |
| Trade receivables | 671 |
| Other receivables and financial assets | 47 |
| Cash and cash equivalents | 652 |
| **Total equity and liabilities** | **5,568** |
| Provisions | 4 |
| Trade payables | 452 |
| Borrowings | 965 |
| Lease liabilities | 1,056 |
| Other liabilities | 727 |
| Deferred tax liabilities | 348 |
| **Total liabilities** | **3,552** |
| **Total identifiable net assets at fair value** | **2,016** |
| Minority shares evaluated at the value of the net assets | 0 |
| **Acquired shares evaluated at the value of the identifiable net assets** | **2,016** |
| Goodwill from corporate acquisition | 2,374 |
| **Transferred consideration** | **4,390** |

The goodwill of the corporate acquisition is based on growth opportunities in the New Zealand market and on the knowledge, experience and skills of the personnel. It is not deductible for tax purposes.

| in EUR K | Cash outflow due to corporate acquisition |
|---|---|
| Transaction costs of the corporate acquisition (EUR 147 K included in cash flow from operating activities 2023, EUR 136 K in cash flow from operating activities 2024) | −283 |
| Cash and cash equivalents acquired with the subsidiary (contained in the cash flows from investment activity) | 652 |
| Liabilities to banks assumed with the subsidiary (included in cash flows from financing activities) | −965 |
| Outflow of cash and cash equivalents (contained in the cash flows from investment activity) | −4,390 |
| **Actual cash outflow due to corporate acquisition** | **−4,986** |

Turnover for the financial year or since acquisition totalled EUR 5,169 K, earnings after taxes, but before the effects of the purchase price allocation, amounted to EUR 480 K.

The acquisition of the remaining 48 % of the shares in Sto Italia Srl, Empoli/Italy in November 2022 reduced the liability for a variable purchase price to be paid in June 2027 by EUR 3,927 K to the lower limit of EUR 2,172 K.

### • Company disposals

In December 2024, the subsidiary Sto Ltd., Paisley/ Great Britain was deconsolidated due to technical insolvency with an effect on income of EUR 260 K recognised in other operating income.

The Russian company OOO Sto, Moscow, was sold in December 2023 for a purchase price of EUR 807 K. In the 2023 financial year, this led to income of EUR 316 K from deconsolidation included in other operating income.

## 5. Consolidation principles

The assets and liabilities of the companies in and outside of Germany included in the consolidated financial statements are recognised and measured in accordance with the uniform accounting and valuation policies.

Receivables and liabilities as well as expenses and income between consolidated companies are netted. Inventories and fixed assets are adjusted for interim results. The income tax consequences of consolidation are taken into account through the recognition of deferred taxes.

The shares in joint ventures or associated companies accounted for using the equity method are valuated in accordance with the same accounting and valuation policies which are also applied to the determination of the share of equity of fully-consolidated companies.

## 6. Presentation of the major accounting and valuation policies

The current/non-current distinction was observed in the recognition of assets and liabilities. The statement of profit or loss was prepared using the total cost method. The financial year is identical to the calendar year. The consolidated financial statements were prepared in euros. Unless otherwise indicated, the values were rounded up or down to the nearest thousand euros (EUR K).

The accounting and valuation policies relevant for preparing the consolidated financial statements are as follows.

**Currency translation**
Monetary items (cash and cash equivalents, receivables and liabilities, etc.) are first translated at the rate prevailing on the transaction date and then measured at fair value through profit or loss as at the reference date. Non-monetary items recognised at historical costs of acquisition or production are translated using the rate at the time of the transaction.

The financial statements prepared in a foreign currency were translated in accordance with the functional currency principle using the modified closing rate method in accordance with IAS 21. In the year under review, there were no fluctuations in value of more than 10 % for the individual currencies. The exception to this is the Turkish lira, whose fluctuations were insignificant for the Group.

The functional currency is defined as the national currency in question as the companies perform their business independently in financial, economic and organisational terms, and mainly in the currency of the respective country.

Assets and liabilities were translated at the closing rate, and expenses and income at annual average rates. Equity is translated at historic rates. Any resultant currency translation differences are recognised separately under equity and with no effect on profit or loss until such time as the subsidiary in question is deconsolidated.

**Financial Reporting in Hyperinflationary Economies**
Since the financial year of 2022, Türkiye has been classified as a hyperinflationary economy in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies. The activities in this country are therefore not accounted for on the basis of historical costs of acquisition or production, but are presented adjusted for the impact of inflation. The consumer price index CPI (Tüketici fiyat endeks rakamları) was used for this purpose. The value of the index applied as at the balance sheet date was 2,684.55 (2023: 1,859.38; 2022: 1,128.45).

The accounting method chosen by the Group when applying IAS 29 is to present the combined effect of the adjustment of the opening balance resulting from the inflation adjustment in accordance with IAS 29 and the foreign currency translation in accordance with IAS 21 as a net change for the year in other earnings. This effect totalled EUR 876 K in the year under review (previous year: EUR 784 K).

The monetary loss that arises from hyperinflation accounting is included in other operating expenses.

**Business combinations**
Business combinations are accounted for using the acquisition method. The cost of acquisition of a company comprises the sum total of the consideration transferred, measured at fair value at the time of acquisition, and of the shares without a controlling influence (minority interests) on the company acquired. The purchaser valuates the shares of minority interests of the acquired company, either at fair value or at the corresponding share of the identifiable net assets of the company acquired.

Costs incurred within the scope of a business combination are recognised as expenses and reported as administrative costs within other operating expenses. An agreed contingent consideration is recognised at fair value at the time of acquisition. Any subsequent changes to the fair value representing an asset or a liability are recognised in the Statement of profit or loss. A contingent consideration classified as equity is not remeasured, and its settlement at a later date is accounted for in equity.

When the Group acquires a company, the classification and designation of financial assets and liabilities in accordance with the contractual terms and conditions, and the economic circumstances and conditions are assessed.

20250904058O5

| EUR 1 = | | Closing rate on | | Average annual rate | |
|---|---|---|---|---|---|
| | | 31 Dec 2024 | 31 Dec 2023 | 2024 | 2023 |
| AED | United Arab Emirates | 3.80200 | 4.05920 | 3.97730 | 3.97370 |
| AUD | Australia | 1.67720 | 1.62630 | 1.63970 | 1.62880 |
| BRL | Brazil | 6.42530 | 5.36180 | 5.82830 | 5.40100 |
| CAD | Canada | 1.49480 | 1.46420 | 1.48210 | 1.45950 |
| CHF | Switzerland | 0.94120 | 0.92600 | 0.95260 | 0.97180 |
| CLP | Chile | 1,028.73410 | 965.11590 | 1,021.32320 | 908.40689 |
| CNY | People's Republic of China | 7.58330 | 7.85090 | 7.78750 | 7.66000 |
| COP | Columbia | 4,580.21400 | 4,287.35250 | 4,455.89150 | 4,730.09690 |
| CZK | Czech Republic | 25.18500 | 24.72500 | 25.12000 | 24.00400 |
| DKK | Denmark | 7.45780 | 7.45290 | 7.45890 | 7.45090 |
| GBP | Great Britain | 0.82918 | 0.86905 | 0.84662 | 0.86979 |
| HUF | Hungary | 411.35000 | 382.80000 | 395.30000 | 381.85000 |
| MXN | Mexico | 21.55040 | 18.72310 | 19.83140 | 19.18300 |
| MYR | Malaysia | 4.64540 | 5.07750 | 4.95030 | 4.93200 |
| NOK | Norway | 11.79500 | 11.24050 | 11.62900 | 11.42480 |
| NZD | New Zealand | 1.85320 | 1.75040 | 1.78800 | 1.76220 |
| PAB | Panama | 1.03510 | 1.10520 | 1.10740 | 1.10644 |
| PLN | Poland | 4.27300 | 4.34800 | 4.30580 | 4.54200 |
| RUB | Russia | 106.10280 | 97.65030 | 100.49440 | 92.46310 |
| SEK | Sweden | 11.45900 | 11.09600 | 11.43250 | 11.47880 |
| SGD | Singapore | 1.41640 | 1.45910 | 1.44580 | 1.45230 |
| TRY | Türkiye | 36.73720 | 32.65310 | 35.57340 | 25.75970 |
| USD | USA | 1.03890 | 1.10500 | 1.08240 | 1.08130 |

Goodwill is the surplus of the consideration transferred and the shares without a controlling influence on the identifiable assets acquired and liabilities assumed. Such goodwill is submitted to testing once a year or as needed to determine any impairment in its value (impairment-only approach). In case of a lack of recoverability, the corresponding impairment is recognised accordingly. If the consideration transferred is less than the fair value of the net assets acquired, then the difference must be recognised with an impact on profit or loss.

In the case of successive corporate acquisitions, the previously acquired equity share is remeasured at fair value at the time of acquisition and the result is recognised through profit or loss.

**Borrowing costs**

Borrowing costs are interest and other costs incurred by a company in connection with taking on debt capital.

Borrowing costs which are to be directly assigned to the acquisition, construction or manufacture of an asset for which a substantial period of time is required in order to render the asset ready for its intended use or sale are capitalised as part of the cost of acquisition or production of the relevant asset. All other borrowing costs are recognised as an expense in the period in which they were incurred.

The Group did not hold any assets to which borrowing costs were directly allocated. The unallocated portion of borrowing costs was insignificant.

**Intangible assets**

Intangible assets with indefinite useful lives, including goodwill, are tested for impairment annually and additionally if there are indications of impairment.

As in the previous year, the useful lives for patents were generally 20 years, provided there is no lower statutory period of protection, 3 to 8 years for software and 3 to 20 years for other intangible assets. These assets were depreciated/amortised exclusively on a straight-line basis.

To determine impairments, the carrying amount of the cash-generating unit (CGU), including the allocated goodwill, which is the smallest identifiable group of assets that generates cash inflows which are independent of the cash inflows from other assets or groups of assets, is compared with the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the fair value less cost of sale and the value in use determined on the basis of discounted future cash flows. The recoverable amount was determined using the value in use.

If the necessary impairment from the determination of the value in use of the CGU is greater than the goodwill, the exceeding impairment is distributed across the remaining assets of the CGU taking into consideration the fair values of the assets as the lower value limit.

With the exception of Sto SE & Co. KGaA, Ströher, and Sto China, the CGUs are identical to the legal entities. The CGU Sto SE & Co. KGaA is made up of the legal entities Sto SE & Co. KGaA, Stühlingen/Germany, Verotec GmbH,

Lauingen/Germany, and StoCretec GmbH, Kriftel/Germany. The CGU Ströher consists of the legal entities Ströher GmbH, Dillenburg/China, GEPADI Fliesen GmbH, Dillenburg/China, and Ströher Produktions GmbH & Co. KG, Dillenburg/China. The CGU Sto China consists of the legal entities Shanghai Sto Ltd., Shanghai/China, Langfang Sto Building Material Co. Ltd., Langfang/China, and Wuhan Sto Building Material Co. Ltd., Wuhan/China.

The 5-year plan as at 31 December 2024 for the financial years of 2025 to 2029 of the respective CGUs taking into account the expectation of a positive development in demand for thermal insulation and the planning of maintenance investments was the starting point for the valuation, based on the best possible consideration of all information available internally and externally. External information was forecasts based on the economic situation and the material internal information related to forecasts based on empirical values in the 5-year plan. For the CGUs, growth rates of 1.0 % (previous year: 1.0 %) were assumed for the period beyond the planning horizon, as this adequately reflects the uncertainties of future periods.

For discounting the cash flows, the weighted average cost of capital after taxes (WACC after taxes) were used as the discount factor, which differed by country-specific variations. Based on the respective WACC after taxes, the implicit WACC before taxes was determined by iteration. The WACC takes into account equity costs, which include a risk-free basic interest rate and the respective entrepreneurial risk (market risk premium and country risk premium multiplied by a specific beta factor), as well as borrowing costs. The WACC before taxes was between 9.0 % and 15.4 % (previous year: 11.3 % to 16.7 %).

The following pre-tax interest rates were used for CGUs which are key CGUs due to their goodwill (Sto SE & Co. KGaA, Beissier S.A.S., and Sto Australia Pty Ltd): Sto SE & Co. KGaA 11.2 % (previous year: 13.3 %), Beissier S.A.S. 11.8 % (previous year: 14.0 %), Sto Australia Pty Ltd 11.8 % (previous year: 16.6 %).

Due to the economic development of the CGU Ströher with significant negative deviations from the turnover and margin targets, an impairment test was carried out at the CGU level. As part of this impairment test, a recoverable amount of EUR 17,963 K (previous year: EUR 17,227 K) was determined. The carrying amount of the CGU was reduced by a total of EUR 689 K due to impairments of the GEPADI Fliesen GmbH and Ströher GmbH brands. The additional necessary impairment of EUR 19,453 K (previous year: EUR 31,554 K) could not be allocated to any other assets, as the Fair Values of the CGU's assets were higher than the respective carrying amounts. The Fair Values of the material assets were determined on the basis of standard land values (in Germany: Bodenrichtwerte), comparative rents and acquisition costs in the case of property, plant and equipment and on the basis of net realisable amount in the case of inventories. The recoverable amounts of the impaired CGU correspond to the values in use. The discount rate before taxes used for the cash flow forecast was 10.0 % for the Ströher CGU.

The deconsolidation of the British company, Sto Ltd., Paisley/Great Britain, due to technical insolvency resulted in a full write-down of the existing goodwill of EUR 865 K.

For all other CGUs, sensitivity analyses have shown that there was no need for impairment of goodwill even if the assumptions deviate. The sensitivity analyses were based on a change in the average equity costs after taxes of +0.5 percentage points (previous year: +0.5 percentage points) and a change in turnover of -5.0 percentage points (previous year: -5.0 percentage points).

In the previous year, a recoverable amount of EUR 16,471 K was determined during the impairment test of the CGU Südwest Lacke + Farben GmbH & Co. KG. Due to an impairment of goodwill, the carrying amount of the CGU was reduced by EUR 2,780 K. The additional necessary impairment of EUR 1,017 K over and above the recoverable amount could not be allocated to any other assets, as the fair values of the assets of the CGU Südwest Lacke + Farben GmbH & Co. KG were higher than the respective carrying amounts.

The recoverable amounts of the CGUs impaired in the previous year correspond to the values in use. The discount rates before taxes used for the cash flow forecast were 12.61 % for Südwest Lacke + Farben GmbH & Co. KG and 12.78 % for the CGU Ströher. The reason for these impairments were the lower turnover and margin expectations.

The essential goodwill items are listed in Note (13).

**Property, plant, and equipment**

Property, plant, and equipment are recognised at acquisition or production cost less cumulative depreciation and cumulative impairment losses.

The acquisition costs comprise the purchase price and incidental acquisition costs including import duties and non-refundable purchase taxes as well as any costs less acquisition cost discounts directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

The production costs comprise the expenses incurred in utilising goods and services for such a production or manufacture. This includes the directly attributable costs and a reasonable share of the necessary overheads.

Depreciation is calculated on a straight-line basis using the following useful lives.

| | Useful life |
|---|---|
| Buildings | 20 to 30 years |
| Fixtures to land | 8 to 12 years |
| Technical equipment and machinery | 8 to 10 years |
| Other plant, operating and business equipment | 3 to 20 years |

-20250904058O6

The useful lives and residual carrying amounts are audited regularly. Maintenance and small repairs are recognised through profit or loss. Plants under construction are assigned to Property, plant, and equipment and are recognised at their procurement and production costs. Depreciation/amortisation only takes place from the time of readiness for operation.

**Impairment of Intangible assets, and Property, plant, and equipment**

Property, plant, and equipment, and Intangible assets are tested for impairment if there is any evidence that their carrying amount may no longer be recoverable. If the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recorded with an impact on profit or loss. The recoverable amount is the higher value of the net realisable amount and the value in use.

The net realisable amount is the amount which can be recovered from the sale of the asset less the incurred costs of sale, whereas the value in use is the present value of the estimated future cash flows expected from the use plus the remaining value at the end of its useful life. The recoverable amount is either determined for an individual asset, if it generates cash and cash equivalents independently from other assets, or for the cash-generating unit in total.

If the reasons for an impairment no longer exist or if the impairment has decreased, an appreciation in value is recognised as income. No reversal is made to an impairment of goodwill.

**Financial assets accounted for using the equity method**

These financial assets related to a joint venture for which there is a contractual agreement regarding the joint control of the company. The shares are accounted upon addition at their cost of acquisition. Then the carrying amount of the shares is adjusted annually to recognise the share of earnings, distributed dividends, impairment, and other changes to equity. An impairment is recognised in profit and loss as the difference between the recoverable amount and the carrying amount of the share. If the reasons for an impairment no longer exist or if the impairment has decreased, an appreciation in value is recognised with an impact on profit or loss.

**Leases**

In accordance with IFRS 16, for all material leases, assets are recognised for rights to use leased assets and liabilities at present values for payment obligations incurred. The option created in IFRS 16.4 to exclude Intangible assets from the scope of IFRS 16 is generally used. The lease liabilities include the following lease payments:

- Fixed payments, less lease incentives payable by the lessor;
- variable payments that are connected to an index or interest rate;
- expected residual-value payments from residual-value guarantees;
- the exercise price of a call option if the exercise was classified as sufficiently certain;
- any penalty payments due to early termination of the lease.

Lease payments are discounted at the interest rate implicit in the lease if this can be determined. Otherwise, they are discounted at the incremental borrowing rate of interest of the lessee. In determining the incremental borrowing rates of interest, reference interest rates for a period of up to 30 years from the yields of German and US government bonds were used. Countries that belong to neither the European nor the US currency area were allocated to the two currency zones approximately on the basis of the country-specific yields of government bonds. The benchmark interest rates were supplemented by a risk premium.

The interest expense was recognised in net financial income/expense over the term of the leases.

The rights of use are valued at acquisition costs and are composed as follows:

- lease liability,
- lease payments made on or before provision less lease incentives received, and
- initial direct costs.

Subsequent measurement is at amortised costs. The right of use is depreciated on a straight-line basis over the term of the lease or, if shorter, over the economic useful life of the leased asset. The useful life and the residual carrying amount of open-ended contracts are evaluated every two years on the basis of the 5-year plan. Contractually agreed lease extension options are recognised in the balance sheet if the exercise of the option is highly probable.

In the case of leases with a term of no more than twelve months or leases with low-value assets of up to EUR 5 K, the Group applies the exemptions of IFRS 16.6 and recognises the lease payments of these contracts as expenses under other operating expenses.

In the case of contracts which include both lease and non-lease components, the Group has decided not to apply the practical expedient of IFRS 16.15 and separates the lease components from the non-lease components.

**Inventories**

Inventories were assessed as follows:

- Raw materials, processing aids, operating materials, and trading goods:
  – weighted average price
- Finished assets and assets under construction:
  – Direct labour and material costs as well as a reasonable share of the production overheads based on the normal capacity of the production equipment net of borrowing costs.

Inventories were recorded at the lower of acquisition or production cost and the net realisable amount. The net realisable amount is the recoverable selling price in the ordinary course of business less the costs of completion and the costs necessary to make the sale.

Impairments were also recognised on the basis of overstocking in order to take account of the risk of the realisability of inventories. The range of coverage classes defined in the estimation method and the corresponding discounts were analysed in the previous year on the basis of empirical values and current developments, and the estimation method was refined to take account of the perishability of the product ranges by differentiating the range of coverage classes by type of material and defining the discount rates for each company and type of material. In the previous year, the special effect from the reduction in overstocking totalled EUR 7.0 million.

**Contract liabilities**
Contract liabilities were recognised if consideration was paid or the right to consideration existed prior to the transfer of the asset. A contract liability is therefore the obligation of the company to transfer goods or services to the customer for which it has received consideration from the customer. As the item as a whole is not material, no further explanations have been provided on the balance sheet item and its development.

**Financial instruments**
According to IFRS 9, a financial instrument is a contract, not necessarily in writing, that gives rise to a financial asset for one company and a financial liability or equity instrument for another. Impairments are recognised on the basis of the expected-credit-loss method by anticipating future payment defaults as at the balance sheet date or by recognising specific risks through individual impairment.
Financial assets are divided into the following categories:

- Financial instruments measured at fair value through profit or loss (= FVTPL)
- Financial instruments measured at fair value with no impact on profit or loss (fair value through other comprehensive income = FVOCI)
- Financial assets at amortised costs (= FAAC)

Financial liabilities are divided into the following categories:

- Financial liabilities at fair value through profit or loss (= FLTPL)
- Financial liabilities measured at amortised cost (= FLAC)

**Financial instruments measured at fair value through profit or loss**
Financial instruments at fair value through profit or loss include financial assets held for trading, derivatives as well as financial assets for which the fair value option was selected upon initial recognition.

Financial assets are classified as held for trading if the business model is designed to sell the financial assets in the near future or if the cash flows do not solely consist of interest and principal payments. Profits and losses in this category are recognised through profit or loss.

Reclassification to financial instruments measured at amortised costs depends on the nature of the asset and does not affect financial instruments designated at fair value through profit or loss under the fair value option.

**Financial instruments measured at fair value with no impact on profit or loss**
Financial assets are measured at fair value with no effect on profit or loss if the business model is designed to hold and sell the assets to generate cash flows and if cash flows consist exclusively of interest and principal payments.

Financial instruments in this category are measured at fair value and changes in value are first recognised in reserves with no impact on profit or loss. When a debt capital instrument is derecognised, the accrued profits or losses are reclassified to the statement of profit or loss ('recycling'). When an equity instrument is derecognised, any accrued gains or losses remain in equity without reclassification.

**Financial assets at amortised costs of acquisition**
In case of financial instruments measured at amortised acquisition costs, the business model is designed to hold assets to generate cash flows which consist exclusively of interest and principal payments and for which the fair-value option is not exercised.

After initial recognition, these financial assets are measured at amortised costs of acquisition using the effective interest method. Profits and losses are recognised through profit or loss when a financial asset is derecognised or impaired as well as through the amortisation process.

Financial instruments are classified upon initial recognition. Permissible and necessary reclassifications are carried out at the end of the financial year.

Receivables and liabilities are netted if the requirements for offsetting as stipulated in IAS 32 are met.

**Financial liabilities at fair value through profit or loss**
Financial liabilities measured at fair value through profit or loss comprise financial liabilities held for trading and those classified at fair value through profit or loss upon first-time recognition.

The Group did not make use of the designation of financial liabilities at fair value through profit or loss.

**Financial liabilities at amortised cost**
Financial liabilities measured at amortised costs are recognised at fair value taking into consideration transaction costs and

20250904058O7

subsequently measured using the effective interest method less principal payments and taking into account discounts and premiums.

Profits or losses are recognised through profit or loss upon derecognition or disposal. Derecognition is carried out if the obligation underlying the liability no longer exists.

If an existing financial liability is exchanged by some other financial liability of the same lender subject to substantially different contractual terms and conditions, or if the terms and conditions of an existing liability are significantly changed, then such an exchange or modification will be treated as derecognition of the original liability and recognition of a new liability. The difference between the carrying amounts is recognised through profit or loss.

**Derivative financial instruments**

The Group uses derivative financial instruments in the form of currency forwards to hedge cash flow variations from currency risks arising from future transactions.

Derivative financial instruments were recognised at fair value at the time the contract is concluded and measured at fair value through profit or loss in subsequent periods, with reference to current forward exchange rates for contracts with similar maturity structures. To that end, an asset or a liability was recognised in connection with an expense or income.

In the past financial year, there were no hedge relationships satisfying the strict hedge accounting criteria.

**Trade receivables**

Trade receivables were recognised at amortised acquisition costs.

The recognition of impairments is based on estimates regarding expected loan defaults (expected credit loss model) for all financial assets measured at amortised cost as well as debt instruments measured at fair value through other comprehensive income. To determine provisions for loss, IFRS 9 provides a three-level model. A risk provision is thus created at level 1 on the basis of the expected 12-month credit losses, or at level 2 on the basis of the expected credit losses over the term if the credit risk has deteriorated significantly since initial recognition, or at level 3 if there was a specific risk of default on the financial instrument. For trade receivables, a simplification rule was used according to which the defaults expected over the remaining term of the financial instrument were recognised.

In the year under review, the default probabilities for trade receivables were primarily determined according to age structure ranges over 12-month periods from the immediate past and subsequently recognised as an impairment with an effect on expenses, with the calculated default rates adequately reflecting the risks. The default probability was calculated as the average of the largest companies in the Group for the respective age structure range and then used as the basis for the entire Group. In addition, macroeconomic factors, such as the forecast global economic development and the forecast for the national sales markets relevant to the Group, were also taken into account when determining the default probabilities. In the previous year, the plan adjustment of default probabilities resulted in a decline in impairments of EUR 3.1 million..

On the basis of the business model and the industry affiliation, trade receivables showed a significant increase in the default risk if they were more than a year overdue. There was no significant increase in the default probability if they were more than 30 days overdue. The reason for this is the fact that the Group particularly operated in projects-based business. This means that there were delays between completion and acceptance of the work by the client – something that is customary in the industry.

In addition, impairments were recognised on the basis of individual impairments if there was objective, substantial evidence to support this. Substantial evidence was defined as insolvency of the debtor and the involvement of a lawyer for the recovery of the receivable. The amount of the individual impairment depended on the estimate of the respective technical expert. At each reporting date, an assessment is made as to whether an impairment recognised in previous periods no longer exists or may have decreased. Appreciation in value is recognised in particular if the review of the assumptions of the expected credit model results in lower default risks or if the risks are reduced or eliminated in the case of individual impairments. Appreciations in value are made up to a maximum of amortised acquisition costs and are recognised through profit or loss.

The final derecognition of a receivable occurred when insolvency proceedings were initiated, the debtor submitted an affidavit in lieu of an oath, or if it was foreseeable for other reasons that there would be no incoming payment. Derecognised trade receivables continued to be regularly reviewed for the possibility of recovery.

A credit assessment of customers was carried out by obtaining information from credit agencies and various companies using credit management software, which was also used to determine the credit limit. If the credit limit was exceeded, approval of further deliveries was usually only given after an examination of the specific case.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and credit balances with banks including liquid deposits available at short notice with original settlement periods of a maximum of three months, which can be converted into cash and cash equivalents at any time, and which are not subject to any significant fluctuations in value.

The impairment was determined using the cost of hedging by means of credit default swaps with a maturity of twelve months.

**Other financial assets**
Other financial assets, with the exception of derivative assets and financial investments held for sale, were recognised at amortised acquisition costs.

Other financial assets included financial investments with a good rating and low default risk for which the expected credit losses were determined in accordance with level 1 using credit default swaps by recognising the costs required for hedging as provisions for loss. On the other hand, current loans to associated companies as well as creditors with debits, bonuses and credits were included, for which provisions for loss were recognised in accordance with level 1 on the basis of default probabilities determined by Creditreform. Please refer to the section on trade receivables for an explanation of the stage model.

**Treasury stock**
Sto SE & Co. KGaA's treasury stock was deducted from equity. The purchase, sale, issue and redemption of treasury stock is not recognised in profit and loss.

**Pension provisions**
Actuarial measurement of the pension provisions as part of defined benefit commitments is based on the projected-unit-credit method for defined benefit plans for pension schemes as defined in IAS 19. Under this method, the pension obligations and acquired entitlements existing at the balance sheet date are determined on the basis of average life expectancy, future salary and pension increases, the expected retirement age, and the expected fluctuation. Average life expectancy is estimated on the basis of acknowledged biometric models.

Actuarial gains and losses from the changes of assumptions are recognised after the consideration of deferred taxes in other earnings with no impact on profit or loss.

The defined benefit asset or liability comprises the present value of the defined-benefit obligation less existing plan assets which are used to directly settle obligations. The plan assets are qualified insurance policies that are protected against access by creditors and cannot be paid out to the Group. Valuation is based on the fair value that corresponds to the present value of the covered liability.

**Other provisions**
In accordance with IAS 37, provisions are formed for present liabilities towards third parties from a past event which is likely to result in a future outflow of economic resources, the amount of which can be estimated.

If the interest effect has a significant impact in connection with the settlement of the obligation, the provisions are recognised at the present value of the expected expenses, which also includes expected cost increases. The discounting is based on risk-free interest rates.

If the conditions for setting up a provision are not met but the likelihood of an outflow of resources embodying an economic benefit is not unlikely, the corresponding liabilities are reported under contingent liabilities.

**Trade payables and other financial liabilities**
Trade payables and other financial liabilities are measured at amortised cost of acquisition. Any differences between historical acquisition costs and the settlement amount are reported in accordance with the effective interest method.

**Deferred taxes**
As a matter of principle, deferred taxes are recognised for all temporary differences between the taxable amounts and the consolidated statement of financial position.

Deferred tax assets on tax loss carryforwards are to be recognised if use is probable. They are not set up if a temporary difference arises from goodwill or from the initial recognition of other assets and liabilities which affects neither tax earnings nor commercial earnings.

Deferred tax assets which are not expected to be recognised in a defined period of time are impaired. At each balance sheet date, an assessment is made as to whether the asset is eligible for capitalisation.

Deferred tax liabilities are formed for temporary differences arising from shares in subsidiaries, associated companies, and joint ventures unless the parent company is able to control the reversal of the temporary difference and the temporary difference is unlikely to reverse within a defined time period.

Deferred tax assets and liabilities are netted if the deferred taxes relate to one and the same taxpayer and the same taxation authority and if there is a legally enforceable right to set off the tax reimbursement claims against tax liabilities.

Deferred taxes are measured taking into account the national income tax rates as at the date of realisation as well as on the basis of the tax law applicable at that time.

Deferred taxes are recorded as income or expense in the Statement of profit or loss unless they relate to items recognised in equity with no impact on profit or loss. In this case the deferred taxes are also recognised in equity with no impact on profit or loss.

**Recognition of income and expenses**
Revenues from contracts with customers are recognised when control of the goods or services is transferred to the customer.

In the manufacture of products and systems for thermal insulation and building coatings, revenues from contracts with customers mainly result from deliveries of goods, which are generally recognised at the time of delivery. Payment is usually made 30 to 90 days after delivery. In addition, services

are provided on a small scale for which the sales revenues are recorded in the time period in which the services are rendered.

Some contracts are designed in such a way that both an original delivery of goods and an associated craftsman's service are provided. These are service obligations to be accounted for as a whole, as the delivery and processing of the materials are related in accordance with the underlying agreement. Revenue is recognised when the service has been rendered in full. For an insignificant number of projects, income and expenses were recognised over the term. Expenses and income were recognised using both the input method in terms of the costs incurred up to the balance sheet date in relation to the total costs incurred and the output method in terms of the revenue incurred up to the balance sheet date in relation to the total revenue. As the income and expenses recognised over the term are not material overall, no further explanations have been provided in this regard, particularly with regard to revenue and its development.

The Group was responsible for providing the statutory warranty for remedying defects. Provisions were made for expenses expected to be incurred as a result. Furthermore, in rare cases, the Group granted warranties that extended beyond the statutory period. These were separate performance obligations of the Group for which the sales revenues were deferred as contract liabilities on a case-to-case basis and were recognised with an impact on profit or loss over the contract term.

The amount of revenue recognised corresponds to the consideration expected to be received by the Group in exchange for the goods or services. If a contractual consideration includes a variable component, the Group determines the amount of the consideration to be received in exchange for the transfer of the goods or services. The variable consideration is estimated at the inception of the contract and may be included in the transaction price only if it is probable that there will be no significant change in the revenues or, respectively, if the uncertainty associated with the variable consideration is low.

In determining transaction prices, expected rebates and discounts are separated from the agreed price, both in the case of the separate sale of goods or services and in the case of the combined sale, according to the principle of individual valuation, without revenue being recognised for them.

In principle, payments to be received from customers are short-term, i.e. at the inception of the contract it is expected that the period between the transfer of the good or service and payment will not exceed one year. In this regard, the Group makes use of the relief regulation of IFRS 15 and waives the discounting of the consideration.

In addition, the Group makes use of the simplification regulation of IFRS 15.121 and does not disclose any remaining performance obligations whose underlying contracts have an expected original term of one year or less.

Revenue other than from contracts with customers is recognised if it is probable that economic benefits will flow and if the revenue amount can be determined reliably, irrespective of the time of payment. Revenue is measured at the fair value of the consideration received or to be received, taking into account contractually agreed payment terms, excluding taxes or other levies.

Interest income and interest expenses are recognised for all financial instruments measured at amortised cost using the effective interest rate. This is the discount rate used to discount estimated future cash receipts and payments over the expected term of the financial instrument or, if applicable, a shorter period, to the net carrying amount of the financial asset or financial liability. It is reported in the Statement of profit or loss as part of net financial income/expense.

Operating expenses are reported upon utilisation of the service or on the date on which they are caused.

**Research and development costs**

The main tasks of the research and development department are the identification of alternative materials, products, and processes. Research and development costs were recognised with an impact on profit or loss since capitalisation of the development costs in the form of Intangible assets was not possible in accordance with IAS 38 as the recognition criteria were not met. In the case of the development projects in question, it is only clear at a late stage whether the conditions for recognition are met, so that the expenses incurred prior to this are not eligible for capitalisation and, on the other hand, the expenses incurred from this point on are relatively low. In the year under review, research and development costs of EUR 15.3 million (previous year: EUR 16.5 million) were recognised with an impact on profit or loss.

**Funding from the public sector**

Funding from the public sector is recognised in accordance with IAS 20 if there is certainty that the conditions for the funding will be met in the form of conditions and that the funding will be granted.

Expense-related funding is collected through profit or loss in the period in which the expenses to be defrayed are incurred. The conditions to be fulfilled will be reviewed when the grant is called in in order to prevent repayments later on.

**Events after the balance sheet date**

Value-enhancing events occurring after the balance sheet date which provide significant information on the Group's situation as at the balance sheet date are included in the Statement of financial situation. Events occurring after the balance sheet date that impact value are disclosed in the Notes.

**Discretionary decisions by Management**

The preparation of the consolidated financial statements required discretionary decisions by Management, which affected

the recognition and valuation of the reported assets, and liabilities, income, and expenses in the reporting period.

This affected segment reporting in accordance with IFRS 8, in which the operating business segments were divided into Western Europe, Northern/Eastern Europe, and America/Asia/Pacific in line with internal corporate governance and the internal reporting that follows this governance.

The financial assets include financial instruments that meet the business model condition and the cash flow condition. They were classified at amortised acquisition costs or, respectively, as financial instruments at fair value with no impact on profit or loss.

**Estimates and assumptions by Management**
The preparation of the consolidated financial statements requires Management to make estimates and assumptions on the basis of available information, which affect the recognition and valuation of reported assets, debt, income and expenses as well as contingent liabilities in the following areas.

In particular, the expected future business development, the circumstances prevailing at the time of preparation of the consolidated financial statements, and the development of the global and industry-related environment deemed probable were taken as a basis.

- **Leases**
  In the case of leases, an extension option was only recognised in the accounting if there was a very high probability that the option would be exercised.

- **Taxes**
  Uncertainties existed concerning the interpretation of complex tax-related regulations, amendments to taxation law as well as the extent and time of origin of earnings taxable at a future date. In addition, significant estimates were required for the eligibility for capitalisation of deferred tax assets on tax loss carryforwards, see Note (11).

- **Impairment of inventories**
  Impairments were made for inventories in accordance with inventory levels in order to recognise expected losses. The impairments were based on the type of material and the respective inventory levels.

- **Impairment of trade receivables**
  Impairments were made for trade receivables in accordance with IFRS 9 in order to recognise expected losses. The impairments were based on default rates using the general approach based on past defaults and future macroeconomic factors as well as individual impairments based on individual risks.

- **Impairment of non-financial assets**
  If the carrying amount exceeds the value in use, the value in use is compared with the fair value as a further impairment test. The calculation of fair value less cost of sale is based on data from binding sales transactions between independent business partners concerning similar assets or observable market prices less directly attributable costs of selling the asset in question. The discounted cash flow method is used to calculate the value in use. The cash flows are derived from the finance plan for the next five years, but without expansion investments. The value in use is also dependent on the discount rate as well as on the growth rate.

- **Fair value of financial instruments**
  If the fair value of financial assets and financial liabilities recognised in the Statement of financial situation cannot be measured by means of data sourced on an active market, it will be determined using valuation methods, including the discounted cash flow method. The parameters included in the model are based on observable market data as far as possible.

- **Pension benefits**
  The expense arising from defined benefit plans on termination of employment and the present value of pension obligations are determined by actuarial calculations. Among others, these parameters include future discount rates, the mortality rate, the expected age of retirement, and future pension increases. Due to the complexity of the valuation and its long-term nature, a defined-benefit obligation reacts sensitively to deviations from these assumptions.

  In determining the discount rate, Management relied for guidance on the interest rates of corporate bonds in the respective currency with at least an AA rating; these interest rates were adjusted to the expected term of the defined-benefit obligation by extrapolation.

  The mortality rate is based on publicly accessible mortality tables for the country in question. Future increases in wages and salaries as well as pensions are based on expected future inflation rates for each country. The age of retirement is determined on the basis of the experience specific to the company as well as future expectations.

- **Provisions**
  Provisions for warranties are set up if the occurrence of a liability is probable. The assessment of the degree of probability and the extent is based on empirical values, external experts, and current information available. In case of warranty provisions these parameters are based on empirical values for complaints and claims and the latest information available. Furthermore, uncertainties arise with regard to pending court cases regarding compensatory damages in terms of compensation payments and the duration of the proceedings.

  At the time of preparing the consolidated financial statements the assumptions and estimates did not include any significant risks that would have required significant adjustments of the assets and liabilities recognised in the consolidated statement of financial position in the following financial year.

# Group segment reporting as at 31 December 2024

| **Information on geographic segments by sales markets** | Western Europe | | Northern/Eastern Europe | |
|---|---|---|---|---|
| in EUR K | **2024** | **2023** | **2024** | **2023** |
| External revenues | 1,243,392 | 1,348,385 | 159,885 | 164,758 |
| Inter-segment revenues | 51,686 | 50,454 | 2,783 | 2,651 |
| **Segment turnover** | **1,295,078** | **1,398,839** | **162,668** | **167,409** |
| Cost of materials | 604,596 | 653,980 | 84,677 | 87,126 |
| Personnel expenses | 351,009 | 354,288 | 34,036 | 34,198 |
| EBITDA | 97,149 | 159,652 | 15,086 | 18,492 |
| Depreciation/amortisation | 51,891 | 51,188 | 8,135 | 7,760 |
| **EBIT** | **45,258** | **108,464** | **6,951** | **10,732** |
| Interest income | 13,796 | 10,069 | 1,331 | 1,153 |
| Interest expenses | 12,927 | 10,654 | 1,156 | 1,229 |
| **EBT** | **46,127** | **107,879** | **7,126** | **10,656** |
| **Segment assets** | **853,662** | **893,753** | **105,482** | **110,605** |
| **Investments** | **21,415** | **38,538** | **2,996** | **2,142** |
| **Employees as at the reference date** | **4,325** | **4,479** | **581** | **600** |

Segment reporting is explained in Note (32).

| America/Asia/Pacific | | Reconciliation/consolidation booking entries | | Group | |
|---|---|---|---|---|---|
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| 209,034 | 204,884 | 0 | 0 | 1,612,311 | 1,718,027 |
| 7 | 0 | −54,476 | −53,105 | 0 | 0 |
| **209,041** | **204,884** | **−54,476** | **−53,105** | **1,612,311** | **1,718,027** |
| 100,819 | 100,040 | −54,113 | −52,978 | 735,979 | 788,168 |
| 50,191 | 48,168 | 0 | 0 | 435,236 | 436,654 |
| 14,540 | 13,300 | 198 | 822 | 126,973 | 192,266 |
| 8,136 | 6,816 | 0 | 0 | 68,162 | 65,764 |
| **6,404** | **6,484** | **198** | **822** | **58,811** | **126,502** |
| 2,575 | 2,132 | −7,863 | −5,736 | 9,839 | 7,618 |
| 1,649 | 762 | −7,863 | −5,736 | 7,869 | 6,909 |
| **7,330** | **7,854** | **290** | **1,011** | **60,873** | **127,400** |
| **163,045** | **137,636** | **36,128** | **22,804** | **1,158,317** | **1,164,798** |
| **11,786** | **5,963** | **0** | **0** | **36,197** | **46,643** |
| **693** | **704** | **0** | **0** | **5,599** | **5,783** |

# Notes on the consolidated statement of profit or loss

## (1) Revenue

For the purposes of segment reporting, revenues are broken down by geographic sales markets. The Group's sales revenues by product group are as follows:

| in EUR K | 2024 | 2023 |
|---|---|---|
| Facade systems | 750,248 | 816,853 |
| Facade coatings | 387,481 | 394,258 |
| Interior | 241,449 | 257,671 |
| Miscellaneous product groups | 233,133 | 249,245 |
| **Total revenues** | **1,612,311** | **1,718,027** |

## (2) Other internally generated assets capitalised

As in the previous year, other capitalised, internally generated assets mainly comprise the internally generated asset for constructed Technical equipment and machinery as well as Buildings.

## (3) Other operating income

| in EUR K | 2024 | 2023 |
|---|---|---|
| Income from the reversal of provisions and accrued liabilities | 7,215 | 6,850 |
| Income from changes in exchange rates | 2,983 | 6,344 |
| Proceeds from derecognised receivables | 426 | 630 |
| Income from the disposal of assets | 992 | 903 |
| Income from commissions and recharges to third parties | 805 | 908 |
| Funding from the public sector | 293 | 937 |
| Miscellaneous operating income | 9,103 | 11,458 |
| **Total other operating income** | **21,817** | **28,030** |

Income from changes in exchange rates primarily comprise exchange rate profits arising between the date of the transaction and date of payment as well as currency translation profits using closing rates.

Funding from the public sector mainly relates to grants for research activities and for the creation and maintenance of new jobs. To some extent, this funding is subject to certain conditions. We assume that we will meet the conditions imposed. In the previous year, this item mainly included grants from the German Energy Cost Reduction Programme (EKDP) at Ströher Produktions GmbH & Co. KG in the amount of EUR 734 K.

## (4) Cost of material

| in EUR K | 2024 | 2023 |
|---|---|---|
| Raw materials, processing aids, and operating materials | 348,402 | 383,540 |
| Goods purchased | 379,421 | 395,809 |
| **Total expenses for raw materials, processing aids, operating materials, and goods purchased** | **727,823** | **779,349** |
| Temporary staff | 2,412 | 5,165 |
| Commission production | 5,744 | 3,654 |
| **Total expenses for services purchased** | **8,156** | **8,819** |
| **Total expenses for materials** | **735,979** | **788,168** |

In particular, the cost of materials from the previous year also includes subsidies totalling EUR 6,063 K as part of the energy price brakes for electricity, gas, and heat.

## (5) Personnel expenses

| in EUR K | 2024 | 2023 |
|---|---|---|
| Wages and salaries | 356,029 | 359,057 |
| Social security contributions | 49,517 | 48,417 |
| Expenses for retirement benefits, and other employee benefit costs | 29,690 | 29,180 |
| **Total personnel expenses** | **435,236** | **436,654** |

Expenses for retirement benefits and support primarily comprise contributions to the statutory pension funds and additions to pension provisions, as stated in Note (24).

### Annual average headcount

| Number | 2024 | 2023 |
|---|---|---|
| Employees | 5,510 | 5,578 |
| Trainees | 234 | 237 |
| **Total no. of employees** | **5,744** | **5,815** |

## (6) Other operating expenses

| in EUR K | 2024 | 2023 |
|---|---|---|
| Selling and marketing costs | 167,346 | 151,413 |
| Administration costs | 69,436 | 67,778 |
| Rental and lease payments including overheads | 24,308 | 22,365 |
| Operating costs | 39,961 | 43,185 |
| Losses from the derecognition of financial assets | 2,506 | 1,469 |
| Other staff costs | 7,935 | 9,993 |
| Expenses due to changes in exchange rates | 4,456 | 8,867 |
| Losses from the disposal of fixed assets | 125 | 461 |
| Miscellaneous expenses | 13,976 | 15,375 |
| **Other operating expenses in total** | **330,049** | **320,906** |

20250904058111

The Selling and marketing costs item mainly includes outbound freight and warranty services.

Expenses due to changes in exchange rates primarily comprise exchange rate losses arising between the date of the transaction and date of payment as well as currency translation losses using closing rates.

The previous year's operating costs include subsidies from energy price brakes for electricity, gas, and heat totalling EUR 2,302 K.

Miscellaneous expenses include a monetary loss of EUR 728 K (previous year: EUR 665 K) from hyperinflation accounting in Türkiye.

### (7) Impairment (net) of financial assets

| in EUR K | 2024 | 2023 |
|---|---|---|
| Expenses for impairments of financial assets | −7,755 | −9,658 |
| Income from the reversal of impairments on financial assets | 4,630 | 8,170 |
| **Total impairment (net) of financial assets** | **−3,125** | **−1,488** |

Please refer to Note (33) for more information on risks relating to financial assets.

### (8) Depreciation/amortisation

This item includes depreciation and amortisation as well as impairments on non-financial assets. Accordingly, EBITDA is calculated before net interest income, depreciation/amortisation, and impairment on non-financial assets.

The depreciation/amortisation and impairment of Intangible assets, Property, plant, and equipment, and Rights of use are analysed in the respective parts of these Notes.

An impairment test was carried out both in the year under review and in the previous year due to the economic development of the CGU Ströher with significant negative deviations from the turnover and margin targets, and impairment losses were recognised on intangible assets in the amount of EUR 689 K. EUR 627 K of this was attributable to the brand and EUR 62 K to expertise. In the previous year, impairments on intangible assets of GEPADI Fliesen GmbH in the amount of EUR 325 K were recognised in the CGU Ströher. Of this amount, EUR 206 K were attributable to the customer base and EUR 119 K to the brand.

In the year under review, the goodwill of Sto Ltd. was subjected to an impairment test due to the company's insolvency application filed in December and impaired by EUR 865 K.

In the previous year, the goodwill of Südwest Lacke + Farben GmbH & Co. KG was impaired by EUR 2,780 K on the basis of the annual impairment test.

Please refer to Section 6. 'Presentation of the major accounting and valuation policies' within the chapter 'General information' for material assumptions in the context of the impairment test'.

### (9) Earnings from financial assets accounted for using the equity method

In the year under review, earnings from financial assets accounted for using the equity method amounted to EUR 92 K (previous year: EUR 189 K).

### (10) Net interest income

| in EUR K | 2024 | 2023 |
|---|---|---|
| Other interest and similar income | 9,839 | 7,618 |
| Interest and similar expenses | −703 | −883 |
| Interest expense on pension obligations | −2,912 | −2,926 |
| Compounding interest of non-current other provisions and liabilities | −514 | −556 |
| Interest expense for leases | −3,740 | −2,544 |
| **Total net interest income** | **1,970** | **709** |

Net interest income improved in comparison to the previous year as a result of the increase in market interest rates during 2023.

### (11) Taxes on income and earnings

#### Composition of tax expense

| in EUR K | 2024 | 2023 |
|---|---|---|
| Actual tax expense in Germany | 10,890 | 22,698 |
| Actual tax expense outside of Germany | 15,696 | 16,814 |
| **Actual taxes on income and earnings** | **26,586** | **39,512** |
| Deferred tax income/expense in Germany | −1,197 | 1,522 |
| Deferred tax income/expense outside of Germany | −2,138 | 602 |
| **Deferred tax income/expense** | **−3,335** | **2,124** |
| **Income tax expense reported** | **23,251** | **41,636** |

In the 2024 assessment period, the statutory corporate tax in Germany was levied at a rate of 15.0 %, which is the same as in the previous year. Including trade tax and the solidarity surcharge, this resulted in an aggregate tax rate of 29.1 % (previous year: 29.1 %).

The local income tax rates for companies outside of Germany ranged between 5.0 % and 35.0 % (previous year: 5.0 % to 35.0 %). Deferred taxes were measured using the tax rates valid or enacted as of the balance sheet date.

Actual taxes on income and earnings include tax income from other periods in the amount of EUR 505 K (previous year: EUR 60 K), of which EUR 551 K (previous year: EUR 0 K) resulted from the reversal of tax provisions.

Tax loss carryforwards were valued at EUR 69,233 K (previous year: EUR 48,409 K). Tax loss carryforwards of EUR 34,005 K

(previous year: EUR 22,300 K) are available for an indefinite period, while EUR 15,628 K (previous year: EUR 10,434 K) may only be utilised within five years, as well as EUR 1,057 K (previous year: EUR 1,524 K) only within ten years, and EUR 18,543 K (previous year: EUR 14,151 K) only within 20 years.

Of the tax loss carryforwards, a sum of EUR 61,217 K (previous year: EUR 42,585 K) is assumed to not be available for the time being. Of these, EUR 28,342 K (previous year: EUR 17,826 K) are available for an indefinite period, while EUR 15,320 K (previous year: EUR 9,833 K) may only be utilised within five years, as well as EUR 551 K (previous year: EUR 1,039 K) only within ten years, and EUR 17,004 K (previous year: EUR 13,887 K) only within 20 years.

Of the tax loss carryforwards rated available and temporary differences, EUR 1,600 K (previous year: EUR 4,531 K) were attributable to companies whose result for the year of 2024 was negative.

It is probable that they can be utilised by offsetting them against future taxable earnings.

Of deferred tax income, EUR 2,779 K (previous year: EUR -747 K) were attributable to temporary differences.

No deferred taxes were recognised for temporary differences of EUR 8,578 K on the profits retained by subsidiaries (previous year: EUR 7,812 K) as, historically, these profits have always been used to extend business activities at the individual locations and will continue to be used for this purpose in the future.

Deferred tax assets related to temporary differences were impaired in the amount of EUR 565 K (previous year: EUR 580 K).

The following deferred tax assets and liabilities are recognised to allow for recognition and valuation differences in the individual items of the balance sheet and the tax loss carryforwards:

| | Deferred tax assets | | Deferred tax liabilities | |
|---|---|---|---|---|
| **Balance sheet item** | | | | |
| in EUR K | **31 Dec 2024** | **31 Dec 2023** | **31 Dec 2024** | **31 Dec 2023** |
| Intangible assets | 1,787 | 2,010 | 1,020 | 1,354 |
| Property, plant, and equipment | 1,821 | 1,481 | 4,198 | 4,561 |
| Rights of use | 620 | 632 | 22,530 | 20,927 |
| Non-current trade receivables | 0 | 0 | 0 | 1 |
| Non-current other financial assets | 2,266 | 52 | 11 | 0 |
| Non-current other assets | 0 | 0 | 188 | 329 |
| Inventories | 1,641 | 1,693 | 311 | 446 |
| Current trade receivables | 1,930 | 1,894 | 375 | 491 |
| Current other financial assets | 7 | 3 | 562 | 1,148 |
| Current other assets | 212 | 329 | 461 | 263 |
| Cash and cash equivalents | 40 | 57 | 102 | 0 |
| Special tax items | 83 | 0 | 10 | 11 |
| Provisions for pensions and other liabilities | 9,198 | 12,550 | 0 | 286 |
| Non-current other provisions | 184 | 351 | 69 | 156 |
| Non-current borrowings | 53 | 0 | 0 | 96 |
| Non-current lease liabilities | 16,934 | 16,218 | 0 | 0 |
| Current other provisions | 2,293 | 1,592 | 478 | 480 |
| Current borrowings | 0 | 242 | 0 | 0 |
| Current lease liabilities | 5,613 | 4,534 | 0 | 0 |
| Current trade payables | 38 | 0 | 50 | 39 |
| Current other liabilities | 2,967 | 2,640 | 37 | 4 |
| Loss carryforwards | 2,068 | 1,531 | 0 | 0 |
| **Gross amount** | **49,755** | **47,809** | **30,402** | **30,592** |
| Balancing | 28,935 | 29,795 | 28,935 | 29,795 |
| **Balance sheet recognition** | **20,820** | **18,014** | **1,467** | **797** |

Deferred tax assets and deferred tax liabilities are netted if the Group has a legally enforceable right to set off the actual tax reimbursement claims against the actual tax liabilities, and the deferred tax assets and the deferred tax liabilities related to income taxes levied by one and the same taxation authority from the same taxpayer.

20250904058 12

## Change in deferred taxes

| in EUR K | Consideration in | | Total |
|---|---|---|---|
| | Statement of profit or loss | Equity | |
| **Deferred taxes as at 1 January 2023** | **16,415** | **1,168** | **17,583** |
| Intangible assets | –419 | 0 | –419 |
| Property, plant, and equipment | 88 | 0 | 88 |
| Rights of use | –3,068 | 0 | –3,068 |
| Non-current trade receivables | –1 | 0 | –1 |
| Non-current other financial assets | 4 | 0 | 4 |
| Non-current other assets | 48 | 0 | 48 |
| Inventories | –779 | 0 | –779 |
| Current trade receivables | 55 | 0 | 55 |
| Current other financial assets | –601 | –290 | –891 |
| Current other assets | 29 | 0 | 29 |
| Cash and cash equivalents | 23 | 0 | 23 |
| Special tax items | –30 | 0 | –30 |
| Provisions for pensions and similar liabilities | –5 | 2,119 | 2,114 |
| Non-current other provisions | 58 | 0 | 58 |
| Non-current borrowings | 91 | 0 | 91 |
| Non-current lease liabilities | 2,899 | 0 | 2,899 |
| Current other provisions | 0 | 0 | 0 |
| Current borrowings | 0 | 0 | 0 |
| Current lease liabilities | 245 | 0 | 245 |
| Current trade payables | –24 | 0 | –24 |
| Current other liabilities | 640 | 0 | 640 |
| Loss carryforwards | –1,377 | 0 | –1,377 |
| First-time consolidation / deconsolidation effects | 0 | 0 | 0 |
| Currency translation effects | –35 | –36 | –71 |
| **Deferred taxes as at 31 December 2023** | **14,256** | **2,961** | **17,217** |

## Change in deferred taxes

| in EUR K | Consideration in | | Total |
|---|---|---|---|
| | Statement of profit or loss | Equity | |
| **Deferred taxes as at 1 January 2024** | **14,256** | **2,961** | **17,217** |
| Intangible assets | 398 | 0 | 398 |
| Property, plant, and equipment | 778 | 0 | 778 |
| Rights of use | –1,822 | 0 | –1,822 |
| Non-current trade receivables | 2 | 0 | 2 |
| Non-current other financial assets | 2,204 | 0 | 2,204 |
| Non-current other assets | 142 | 0 | 142 |
| Inventories | 122 | 0 | 122 |
| Current trade receivables | 176 | 0 | 176 |
| Current other financial assets | 563 | 26 | 589 |
| Current other assets | –304 | 0 | –304 |
| Cash and cash equivalents | –115 | 0 | –115 |
| Special tax items | 83 | 0 | 83 |
| Provisions for pensions and similar liabilities | –2,282 | –772 | –3,054 |
| Non-current other provisions | –84 | 0 | –84 |
| Non-current borrowings | 149 | 0 | 149 |
| Non-current lease liabilities | 886 | 0 | 886 |
| Current other provisions | 710 | 0 | 710 |
| Current borrowings | –243 | 0 | –243 |
| Current lease liabilities | 1,110 | 0 | 1,110 |
| Current trade payables | 21 | 0 | 21 |
| Current other liabilities | 284 | 0 | 284 |
| Loss carryforwards | 557 | 0 | 557 |
| First-time consolidation / deconsolidation effects | 0 | –325 | –325 |
| Currency translation effects | –145 | 17 | –128 |
| **Deferred taxes as at 31 December 2024** | **17,446** | **1,907** | **19,353** |

## Reconciliation of expected and reported income tax expense

| in EUR K | 2024 | 2023 |
|---|---|---|
| Earnings before income taxes | 60,873 | 127,400 |
| **Expected income tax expenses (tax rate: 29.1 %; previous year: 29.1 %)** | **17,726** | **37,099** |
| Reconciliation: | | |
| Tax-free income and permanent differences | 3,411 | 4,891 |
| Changes in tax rate | –112 | –62 |
| Deviations of local tax rates from Group tax rate | –2,107 | –3,781 |
| Deferred tax income on tax loss carryforwards capitalised for the first time | –279 | –167 |
| Tax reduction for tax loss carryforwards not yet capitalised | –196 | –258 |
| Effects of non-recognition of tax loss carryforwards | 5,413 | 3,974 |
| Off-period taxes | –505 | –60 |
| Other effects | –100 | 0 |
| **Income tax expense reported** | **23,251** | **41,636** |
| Effective tax rate (%) | 38.2 | 32.7 |

The Sto Group makes use of the exemption from recognising deferred taxes in connection with Pillar 2 income taxes.

20250904058l3

## (12) Earnings per share

Basic earnings per share are calculated by dividing the proportion of earnings attributable to Sto SE & Co. KGaA's shareholders by the weighted average number of limited ordinary and limited preference shares in circulation during the financial year.

In addition to shares outstanding, diluted earnings per share also include potential shares (e.g. from options). Both at 31 December 2024 and 31 December 2023, there were no potential shares. Hence, undiluted earnings per share correspond to diluted earnings per share.

**Limited ordinary shares**

| Number | 2024 | 2023 |
|---|---|---|
| Weighted average number of shares outstanding – basic/diluted | **3,888,000** | 3,888,000 |

**Limited preference shares**

| Number | 2024 | 2023 |
|---|---|---|
| Weighted average number of shares outstanding – basic/diluted | **2,538,000** | 2,538,000 |

| in EUR K | 2024 | 2023 |
|---|---|---|
| Share of earnings attributable to the shareholders of Sto SE & Co. KGaA | 37,617 | 86,079 |
| **Basic/diluted earnings – of which** | | |
| Limited ordinary shares | 22,668 | 51,989 |
| Limited preference shares | 14,949 | 34,090 |

| in EUR | 2024 | 2023 |
|---|---|---|
| **Earnings per share – basic/diluted** | | |
| Limited ordinary share | 5.83 | 13.37 |
| Limited preference share | 5.89 | 13.43 |

In the financial year of 2024, the following dividend was paid out from the earnings of 2023: EUR 4.94 (previous year: EUR 4.94) per ordinary share, consisting of an ordinary dividend of EUR 0.25 (previous year: EUR 0.25) and a bonus of EUR 4.69 (previous year: EUR 4.69), as well as EUR 5.00 (previous year: EUR 5.00) per preference share, consisting of an ordinary dividend of EUR 0.31 (previous year: EUR 0.31) and a bonus of EUR 4.69 (previous year: EUR 4.69).

In the 2024 financial year, a total of EUR 19,207 K was paid out to ordinary shareholders (previous year: EUR 19,207 K) and an amount of EUR 12,690 K was paid out to preference shareholders (previous year: EUR 12,690 K). The total payout amount was EUR 31,897 K (previous year: EUR 31,897 K).

# Notes on the consolidated statement of the financial position

## (13) Intangible assets

### Changes in Intangible assets from 1 January until 31 December 2023

| in EUR K | Industrial property rights and licences including software | Goodwill | Payments made on account | Total |
|---|---|---|---|---|
| **Costs of acquisition/production** | | | | |
| **1 January 2023** | **53,555** | **56,889** | **2,913** | **113,357** |
| Additions | 1,628 | 0 | 2,248 | 3,876 |
| Changes to the companies consolidated | –7 | 0 | 0 | –7 |
| Disposals | 1,326 | 3,557 | 266 | 5,149 |
| Transfers | 1,733 | 0 | –1,744 | –11 |
| Exchange rate differences | –288 | –151 | 0 | –439 |
| **31 December 2023** | **55,295** | **53,181** | **3,151** | **111,627** |
| **Cumulative depreciation/amortisation and impairment losses** | | | | |
| **1 January 2023** | **38,870** | **17,812** | **0** | **56,682** |
| Depreciation/amortisation for the year | 2,834 | 0 | 0 | 2,834 |
| Impairment losses | 325 | 2,780 | 0 | 3,105 |
| Changes to the companies consolidated | –5 | 0 | 0 | –5 |
| Disposals | 1,325 | 3,557 | 0 | 4,882 |
| Appreciations | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 |
| Exchange rate differences | –91 | 0 | 0 | –91 |
| **31 December 2023** | **40,608** | **17,035** | **0** | **57,643** |
| **Net carrying amount as at 31 December 2022** | **14,685** | **39,077** | **2,913** | **56,675** |
| **Net carrying amount as at 31 December 2023** | **14,687** | **36,146** | **3,151** | **53,984** |

## Changes in Intangible assets from 1 January until 31 December 2024

in EUR K

| | Industrial property rights and licences including software | Goodwill | Payments made on account | Total |
|---|---|---|---|---|
| **Costs of acquisition/production** | | | | |
| **1 January 2024** | 55,295 | 53,181 | 3,151 | 111,627 |
| Additions | 791 | 0 | 1,192 | 1,983 |
| Changes to the companies consolidated | 1,066 | 1,509 | 0 | 2,575 |
| Disposals | 173 | 7,027 | 0 | 7,200 |
| Transfers | 941 | 0 | −916 | 25 |
| Exchange rate differences | −244 | −170 | 0 | −414 |
| **31 December 2024** | 57,676 | 47,493 | 3,427 | 108,596 |
| **Cumulative depreciation/amortisation and impairment losses** | | | | |
| **1 January 2024** | 40,608 | 17,035 | 0 | 57,643 |
| Depreciation/amortisation for the year | 2,999 | 0 | 0 | 2,999 |
| Impairment losses | 689 | 865 | 0 | 1,554 |
| Changes to the companies consolidated | −4 | −865 | 0 | −869 |
| Disposals | 172 | 7,027 | 0 | 7,199 |
| Appreciations | 0 | 0 | 0 | 0 |
| Transfers | 1 | 0 | 0 | 1 |
| Exchange rate differences | −82 | 0 | 0 | −82 |
| **31 December 2024** | 44,039 | 10,008 | 0 | 54,047 |
| **Net carrying amount as at 31 December 2023** | 14,687 | 36,146 | 3,151 | 53,984 |
| **Net carrying amount as at 31 December 2024** | 13,637 | 37,485 | 3,427 | 54,549 |

## Goodwill

Goodwill reported, amounting to EUR 37,485 K (previous year: EUR 36,146 K), breaks down as follows:

**Cash Generating Units**

| in EUR K | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Sto SE & Co. KGaA | 15,760 | 15,760 |
| Beissier S.A.S., La Chapelle la Reine/France | 3,635 | 3,635 |
| Sto Australia Pty Ltd, Dandenong South/Australia | 3,118 | 3,216 |
| Beissier S.A.U., Errenteria/Spain | 2,679 | 2,679 |
| Sto Sp. z o.o., Warsaw/Poland | 2,402 | 2,402 |
| Stoanz Ltd, Wellington/New Zealand | 2,325 | 0 |
| Sto Építöanyag Kft., Dunaharaszti/Hungary | 1,764 | 1,764 |
| JONAS Farben GmbH, Wülfrath/Germany | 1,697 | 1,697 |
| Sto Isoned B.V., Tiel/Netherlands | 1,189 | 1,189 |
| Sto Norge AS, Langhus/Norway | 914 | 937 |
| Miscellaneous under EUR 1,000 K | 2,002 | 2,867 |
| **Total goodwill** | **37,485** | **36,146** |

## (14) Property, plant, and equipment

### Changes in Property, plant, and equipment from 1 January to 31 December 2023

| in EUR K | Land, land rights and buildings including plant buildings on land owned by others | Technical equipment and machinery | Other plant, operating and business equipment | Equipment under construction | Total |
|---|---|---|---|---|---|
| **Costs of acquisition/production** | | | | | |
| **1 January 2023** | **396,832** | **260,157** | **221,894** | **29,732** | **908,615** |
| Additions | 2,443 | 11,151 | 15,586 | 13,587 | 42,767 |
| Changes to the companies consolidated | −415 | −337 | −197 | 0 | −949 |
| Disposals | 890 | 1,968 | 7,190 | 66 | 10,114 |
| Transfers | 4,492 | 17,567 | 3,641 | −25,689 | 11 |
| Exchange rate differences | −111 | −1,663 | 294 | −114 | −1,594 |
| **31 December 2023** | **402,351** | **284,907** | **234,028** | **17,450** | **938,736** |
| **Cumulative depreciation/amortisation and impairment losses** | | | | | |
| **1 January 2023** | **231,802** | **202,698** | **177,749** | **320** | **612,569** |
| Depreciation/amortisation for the year | 10,061 | 11,749 | 13,966 | 0 | 35,776 |
| Impairment losses | 0 | 0 | 0 | 0 | 0 |
| Changes to the companies consolidated | −185 | −283 | −196 | 0 | −664 |
| Disposals | 828 | 1,897 | 6,953 | 0 | 9,678 |
| Transfers | 672 | −1,910 | 1,238 | 0 | 0 |
| Appreciations | 0 | 0 | 0 | 0 | 0 |
| Exchange rate differences | 53 | −1,353 | 297 | −7 | −1,010 |
| **31 December 2023** | **241,575** | **209,004** | **186,101** | **313** | **636,993** |
| **Net carrying amount as at 31 December 2022** | **165,030** | **57,459** | **44,145** | **29,412** | **296,046** |
| **Net carrying amount as at 31 December 2023** | **160,776** | **75,903** | **47,927** | **17,137** | **301,743** |

2025090405816

## Changes in Property, plant and, equipment from 1 January to 31 December 2024

| in EUR K | Land, land rights and buildings including plant buildings on land owned by others | Technical equipment and machinery | Other plant, operating and business equipment | Equipment under construction | Total |
|---|---|---|---|---|---|
| **Costs of acquisition/production** | | | | | |
| **1 January 2024** | **402,351** | **284,907** | **234,028** | **17,450** | **938,736** |
| Additions | 1,299 | 7,457 | 9,859 | 15,599 | 34,214 |
| Changes to the companies consolidated | −277 | 21 | −505 | 0 | −761 |
| Disposals | 1,755 | 1,238 | 10,234 | 39 | 13,266 |
| Transfers | 1,809 | 10,917 | 1,837 | −14,588 | −25 |
| Exchange rate differences | 62 | 1,827 | 24 | −428 | 1,485 |
| **31 December 2024** | **403,489** | **303,891** | **235,009** | **17,994** | **960,383** |
| **Cumulative depreciation/amortisation and impairment losses** | | | | | |
| **1 January 2024** | **241,575** | **209,004** | **186,101** | **313** | **636,993** |
| Depreciation/amortisation for the year | 9,531 | 13,724 | 12,953 | 0 | 36,208 |
| Impairment losses | 0 | 0 | 0 | 0 | 0 |
| Changes to the companies consolidated | −215 | 0 | −451 | 0 | −666 |
| Disposals | 1,577 | 1,180 | 9,415 | 0 | 12,172 |
| Transfers | −44 | 113 | −29 | 0 | 40 |
| Appreciations | 0 | 0 | 0 | 0 | 0 |
| Exchange rate differences | 304 | 1,500 | −45 | −5 | 1,754 |
| **31 December 2024** | **249,574** | **223,161** | **189,114** | **308** | **662,157** |
| **Net carrying amount as at 31 December 2023** | **160,776** | **75,903** | **47,927** | **17,137** | **301,743** |
| **Net carrying amount as at 31 December 2024** | **153,915** | **80,730** | **45,895** | **17,686** | **298,226** |

Property, plant, and equipment in the amount of EUR 29,640 K (previous year: EUR 29,797 K) are encumbered with land charges which serve to secure liabilities to banks. The value amounted to EUR 21 K (previous year: EUR 411 K).

## (15) Rights of use

### Development of Rights of use from 1 January to 31 December 2023

| in EUR K | Industrial property rights and licences including software | Land, land rights and buildings including plant buildings on land owned by others | Technical equipment and machinery | Other plant, operating and business equipment | Total |
|---|---|---|---|---|---|
| **Costs of acquisition/production** | | | | | |
| **1 January 2023** | **427** | **118,375** | **950** | **29,509** | **149,261** |
| Additions | 0 | 35,026 | 13 | 12,418 | 47,457 |
| Changes to the companies consolidated | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 7,244 | 217 | 7,027 | 14,488 |
| Transfers | 0 | 0 | 0 | 0 | 0 |
| Exchange rate differences | 0 | –546 | –1 | –78 | –625 |
| **31 December 2023** | **427** | **145,611** | **745** | **34,822** | **181,605** |
| **Cumulative depreciation/amortisation and impairment losses** | | | | | |
| **1 January 2023** | **339** | **52,367** | **676** | **17,070** | **70,452** |
| Depreciation/amortisation for the year | 88 | 16,258 | 173 | 7,530 | 24,049 |
| Impairment losses | 0 | 0 | 0 | 0 | 0 |
| Changes to the companies consolidated | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 4,846 | 215 | 6,719 | 11,780 |
| Transfers | 0 | 0 | 0 | 0 | 0 |
| Appreciations | 0 | 0 | 0 | 0 | 0 |
| Exchange rate differences | 0 | –91 | 0 | –74 | –165 |
| **31 December 2023** | **427** | **63,688** | **634** | **17,807** | **82,556** |
| **Net carrying amount as at 31 December 2022** | **88** | **66,008** | **274** | **12,439** | **78,809** |
| **Net carrying amount as at 31 December 2023** | **0** | **81,923** | **111** | **17,015** | **99,049** |

20250904058117

## Development of Rights of use from 1 January to 31 December 2024

| in EUR K | Industrial property rights and licences including software | Land, land rights and buildings including plant buildings on land owned by others | Technical equipment and machinery | Other plant, operating and business equipment | Total |
|---|---|---|---|---|---|
| **Costs of acquisition/production** | | | | | |
| **1 January 2024** | **427** | **145,611** | **745** | **34,822** | **181,605** |
| Additions | 0 | 21,751 | 119 | 11,410 | 33,280 |
| Changes to the companies consolidated | 0 | −871 | 0 | −1,032 | −1,903 |
| Disposals | 427 | 6,772 | 44 | 6,867 | 14,110 |
| Transfers | 0 | 0 | 2 | −2 | 0 |
| Exchange rate differences | 0 | −917 | −2 | −211 | −1,130 |
| **31 December 2024** | **0** | **158,802** | **820** | **38,120** | **197,742** |
| **Cumulative depreciation/amortisation and impairment losses** | | | | | |
| **1 January 2024** | **427** | **63,688** | **634** | **17,807** | **82,556** |
| Depreciation/amortisation for the year | 0 | 18,732 | 130 | 8,539 | 27,401 |
| Impairment losses | 0 | 0 | 0 | 0 | 0 |
| Changes to the companies consolidated | 0 | −1,083 | 0 | −554 | −1,637 |
| Disposals | 427 | 3,548 | 44 | 6,380 | 10,399 |
| Transfers | 0 | −41 | 2 | −2 | −41 |
| Appreciations | 0 | 1 | 0 | 0 | 1 |
| Exchange rate differences | 0 | −176 | −2 | −90 | −268 |
| **31 December 2024** | **0** | **77,573** | **720** | **19,320** | **97,613** |
| **Net carrying amount as at 31 December 2023** | **0** | **81,923** | **111** | **17,015** | **99,049** |
| **Net carrying amount as at 31 December 2024** | **0** | **81,229** | **100** | **18,800** | **100,129** |

The Group primarily leases properties and vehicles. In terms of properties, the Group mainly rents SalesCentres, office and production buildings and distribution centres.
There were significant additions in the year under review, primarily due to new rental agreements for office and production buildings and distribution centres.

Information on the corresponding lease liabilities and further explanations can be found in Note (10) and Note (27).

## (16) Financial assets accounted for using the equity method

As at 31 December 2024, the carrying amount of shares accounted for using the equity method stands at EUR 2,508 K (previous year: in EUR 2,416 K).

Investment using the equity method resulted in a positive result of EUR 92 K and thus the aforementioned increase in the carrying amount of the shares valued using the equity method. In the previous year, the investment accounted for using the equity method generated a positive result of EUR 189 K.

The approval of all shareholders is required for the payout of dividends or the repayment of loans.

The Group had no contingent liabilities or contingent receivables as at the balance sheet date.

## (17) Inventories

Inventories are measured at the lower of acquisition/production cost and the net realisable amount. The impairment included therein amounted to EUR 12,652 K (previous year: EUR 12,046 K). The impairments are mainly based on overstocking.

| in EUR K | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Raw materials, processing aids, and operating materials | 40,987 | 39,330 |
| Work in progress | 7,756 | 8,320 |
| Finished products and goods | 101,934 | 112,636 |
| Payments made on account | 399 | 1,037 |
| **Total inventories** | **151,076** | **161,323** |

In the reporting period and in the previous year, no inventories served as collateral for liabilities to banks.

20250904053818

## (18) Non-current and current trade receivables

The fair values of trade receivables equal their carrying amounts. Impairments of EUR 24,189 K (previous year: EUR 25,002 K) were taken into account. In the reporting period and in the previous year, no trade receivables served as collateral for liabilities to banks.

| in EUR K | current | non-current | Carrying amount 31 Dec 2024 | current | non-current | Carrying amount 31 Dec 2023 |
|---|---|---|---|---|---|---|
| **from** | | | | | | |
| Third parties | 164,137 | 958 | 165,095 | 166,078 | 873 | 166,951 |
| Companies accounted for using the equity method | 1 | 0 | 1 | 1 | 0 | 1 |
| **Total trade receivables** | **164,138** | **958** | **165,096** | **166,079** | **873** | **166,952** |

Please refer to Note (33) for more information on risks relating to financial assets.

## (19) Non-current and current other financial assets

Other financial assets due from third parties included financial investments due for settlement in more than three months as well as impairments of EUR 106 K (previous year: EUR 126 K). Receivables from suppliers also included in the financial assets amounted to EUR 6,181 K (previous year: EUR 4,343 K). As in the previous year, the positive fair value of derivative financial instruments resulted from currency hedging transactions that are explained in more detail under Note (33).

| in EUR K | current | non-current | Carrying amount 31 Dec 2024 | current | non-current | Carrying amount 31 Dec 2023 |
|---|---|---|---|---|---|---|
| Other financial assets due from third parties | 140,737 | 74,558 | 215,295 | 115,800 | 90,673 | 206,473 |
| Other receivables and other financial assets from companies accounted for using the equity method | 252 | 0 | 252 | 254 | 0 | 254 |
| Positive fair value of derivative financial instruments | 407 | 0 | 407 | 82 | 0 | 82 |
| **Total other financial assets** | **141,396** | **74,558** | **215,954** | **116,136** | **90,673** | **206,809** |

Please refer to Note (33) for more information on risks relating to financial assets.

## (20) Non-current and current other assets

Other receivables due from third parties include current insurance refund claims from sales risks of EUR 1,634 K (previous year: EUR 3,247 K).

Other tax reimbursement claims include VAT reimbursement claims of EUR 5,289 K (previous year: EUR 6,070 K).

An impairment on other assets in the amount of EUR 9 K (previous year: EUR 0 K) was recognised in the reporting period.

| in EUR K | current | non-current | Carrying amount 31 Dec 2024 | current | non-current | Carrying amount 31 Dec 2023 |
|---|---|---|---|---|---|---|
| Other third-party receivables | 4,332 | 0 | 4,332 | 5,446 | 0 | 5,446 |
| Other tax reimbursement claims | 5,419 | 0 | 5,419 | 6,193 | 0 | 6,193 |
| Prepaid expenses | 12,233 | 800 | 13,033 | 13,505 | 1,303 | 14,808 |
| Other payments made on account | 935 | 0 | 935 | 993 | 0 | 993 |
| **Total other assets** | **22,919** | **800** | **23,719** | **26,137** | **1,303** | **27,440** |

## (21) Cash and cash equivalents

| in EUR K | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Credit balances with banks | 110,208 | 121,842 |
| Cheques, cash in hand | 724 | 436 |
| **Total cash and cash equivalents** | **110,932** | **122,278** |

Cash and cash equivalents include impairments due to IFRS 9 of EUR 167 K (previous year: EUR 270 K).

Please refer to Note (33) for more information on risks relating to cash and cash equivalents.

20250904058l9

## (22) Equity

Changes in equity and minority interests are analysed in the statement of changes in equity.

**Subscribed capital**
As at 31 December 2024, the share capital of Sto SE & Co. KGaA amounted to EUR 17,556 K. It was divided into 4,320,000 registered limited ordinary shares and 2,538,000 limited preference shares with no voting rights with a notional nominal value of EUR 2.56 per share. The figures for the 2024 financial year correspond to the previous year.

The limited preference shares include a guaranteed minimum dividend of EUR 0.13 and bore a dividend that was EUR 0.06 higher than that of the limited ordinary shares. If the net income of one or more financial years is not sufficient for an advance dividend payout of at least EUR 0.13, the missing amounts will be paid in arrears without interest from the net income of the following financial years before payout of a dividend.

The limited preference shares of Sto SE & Co. KGaA are listed on the stock exchanges in Frankfurt/Main and Stuttgart/Germany in the 'Regulated market' segment. The limited ordinary shares are not listed on the stock market.

At the 2024 year end, Stotmeister Beteiligungs GmbH, Stühlingen/Germany, held all but four of the limited ordinary shares of Sto SE & Co. KGaA not owned by Sto SE & Co. KGaA and 100 % of the shares of STO Management SE, Stühlingen/Germany. The personally liable partner, STO Management SE, Stühlingen/Germany, does not have a share in the capital of Sto SE & Co. KGaA.

**Capital reserves**
Capital reserves essentially comprise additions from premiums.

**Revenue reserves and other reserves**
Revenue reserves and other reserves comprise the following items:

- Reserves for accrued profits:
  Reserves for accrued profits include the profits earned by Sto SE & Co. KGaA and its subsidiaries that were not distributed.

- Currency translation reserve:
  The currency translation reserve is used to record any differences arising from the translation of the financial statements of subsidiaries in a foreign currency.

- Reserve for pensions:
  The reserve for pensions contains actuarial gains or actuarial losses from the pension provisions arising from differences between the actual development and the assumed trends as well as changes in the assumptions underlying calculations.

- Reserve for FVOCI valuation:
  The reserve for the FVOCI valuation includes the changes in the valuation of financial instruments at fair value with no effect on profit or loss.

- Treasury stock:
  As at 31 December 2024, Sto SE & Co. KGaA, Stühlingen/Germany, holds treasury stock in the form of 432,000 registered limited ordinary shares with a notional value of EUR 1,106 K. This is equivalent to 10 % of all ordinary shares, or 6.3 % of the share capital of Sto SE & Co. KGaA. Treasury stock is not entitled to dividends. The figures for the 2024 financial year correspond to the previous year.

## Proposed dividend

In accordance with Sections 278, 58 (4) of the German Stock Corporation Act (Aktiengesetz, AktG), Sto SE & Co. KGaA's dividend payout is based on the unappropriated surplus recorded in the financial statements of Sto SE & Co. KGaA prepared in accordance with German commercial law. Net income totalled EUR 46,144 K (previous year: EUR 69,827 K).

The personally liable partner of Sto SE & Co. KGaA, STO Management SE, Stühlingen/Germany, proposes via its Executive Board at the Annual General Meeting of Sto SE & Co. KGaA a dividend payout per limited ordinary share of EUR 0.25 (previous year: EUR 0.25) plus a bonus of EUR 3.00 (previous year: EUR 4.69) to form a total of EUR 3.25 (previous year: EUR 4.94), and EUR 0.31 (previous year: EUR 0.31) plus a bonus of EUR 3.00 (previous year: EUR 4.69) to form a total of EUR 3.31 (previous year: EUR 5.00) per limited preference share, and hence a total payout amount of EUR 21,037 K (previous year: EUR 31,897 K).

A proposal is also made to retain EUR 25,000 K (previous year: EUR 37,000 K) as revenue reserves and to carry the remaining amount of EUR 107 K (previous year: EUR 930 K) forward to a new account.

## Notes on equity management

The purpose of capital management is to ensure that the Group effectively achieves its goals and pursues its strategies in the interests of the shareholders, employees, and other stakeholders and that it successfully implements the defined strategies. In particular, management focuses on achieving the minimum return on invested assets sought by the capital market as well as on maintaining a solid return on equity. In selecting financial instruments, the Group attaches importance to matching-maturities finance.

| in EUR K | 31 Dec 2024 | 31 Dec 2023 | Change in % |
|---|---|---|---|
| **Equity attributable to the shareholders of Sto SE & Co. KGaA** | **743,508** | **729,267** | **2.0 %** |
| Current borrowings | 1,723 | 2,615 | –34.1 % |
| Non-current borrowings | 0 | 20 | –100.0 % |
| Less cash and cash equivalents | 110,932 | 122,278 | –9.3 % |
| **Net assets** | **109,209** | **119,643** | **–8.7 %** |
| % of equity | 14.7 % | 16.4 % | |
| Equity ratio | 64.2 % | 62.6 % | |
| **Return on Capital Employed (ROCE)*** | **7.8 %** | **17.1 %** | |

*ROCE = EBIT divided by average capital employed.
Capital employed = balance sheet values are determined on the basis of an arithmetic average of the respective reference date values at month end for the respective period.
Capital employed = Intangible assets + Property, plant, and equipment + Rights of use + Inventories + Trade receivables ./. Trade payables

In the financial year of 2024, the equity attributable to the shareholders of Sto SE & Co. KGaA rose by 2.0 % as compared to the previous year. This was essentially the result of the increase in revenue reserves and other reserves.

As in the previous year, no net debt has been incurred in the current financial year.

Due to the credit line agreed with a banking consortium, the Group is subject to complying with a financial covenant. In case of non-compliance the lenders are entitled to terminate the loan for good cause. The syndicated loan agreement with a volume of EUR 100.0 million, which expired in summer 2022, was renewed in April 2022 for the same amount and with a term until April 2027, including two renewal options of one year each. In the meantime, the first extension option has been utilised, meaning that the term is currently agreed until April 2028. The financial covenant to be complied with is the net debt ratio, defined as the ratio of net debt to EBITDA. The net debt ratio may not exceed a value of 3.0. In the event of an acquisition and the corresponding written notification from Sto SE & Co. KGaA, the net debt ratio may not exceed a value of 3.5 once for a maximum period of four reference dates following the completion of the acquisition in question. The agreed financial covenant was fulfilled in the year under review and in the previous year.

## (23) Share of minority interests

Shares of equity held by non-controlling associates existed in the year under review and in the previous year in UAB TECH-COAT, Klaipeda/Lithuania. Non-controlling interests are insignificant for the Group.

20250904058 20

## (24) Pensions and similar liabilities

Provisions for pension obligations are recognised in accordance with entitlement arising under the corporate pension scheme. The provided benefits vary according to the legal, tax and economic situation in the individual country and are based on the length of service and the salary of the entitled employees.

The corporate pension scheme primarily comprises defined benefit plans which reflect discounted future payments and for which the pension provisions are calculated using the projected unit credit method in accordance with IAS 19. For defined benefit obligation plans, future obligations are measured on the basis of the benefit entitlements acquired as at the balance sheet date. In making this assessment, assumed relevant trends are taken into account, and actuarial calculations are applied.

Actuarial gains or losses arise from deviations in the actual development (e.g. income and pension increases, changes in interest rates) from the assumptions, and from changes in the assumptions. All actuarial gains and losses are recognised in equity with no impact on profit or loss. Actuarial gains and losses reported within equity are presented in the table on pension provisions. The sensitivity analysis shows the impact of deviations in the assumptions.

Benefit obligations assumed by the German companies primarily existed for old-age, invalidity, widow's and orphan's pensions. A prerequisite for receiving benefits was that upon occurrence of the event the employee either had had a minimum period of service of 10 years after the age of 25, or had been in an employment relationship with Sto or had had a non-lapsable entitlement. Old-age pension is granted when the statutory pension is drawn. The monthly old-age or invalidity pension amounts to between EUR 5.11 and EUR 9.20 per year of service and depending on the employee's status. The widow's pension amounts to 60 % of the old-age and invalidity pension.

The present value of the defined benefit obligations of EUR 132,879 K (previous year: EUR 135,193 K) were netted against the fair value of the plan asset of EUR 42,670 K (previous year: EUR 43,712 K). Pension provisions amounted to EUR 90,209 K (previous year: EUR 91,481 K).

In addition, the Group had defined contribution plans, whose current contribution payments (excluding contributions to the statutory pension funds) were reported as pension expenses. For these plans, the Company paid contributions into public or private pension funds in accordance with statutory or contractual obligations. Upon payment of the contributions, the Company had no further benefit obligations.

Expenses from defined contribution plans amounted to EUR 1,250 K (previous year: EUR 1,225 K). Contributions to statutory pension funds came to EUR 25,104 K (previous year: EUR 24,801 K).

In Switzerland, the current benefits agreements for employees are effected by plans which are regulated by the Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge (Federal Law on Occupational Old-age, Survivor's and Disability Insurance, BVG). Pension plans in Switzerland are administered by collective foundations which are financed by regular employee and employer contributions. The final pension benefits are contribution-based with specific minimum guarantees. Due to these minimum guarantees, pension plans in Switzerland are allocated as being defined benefit plans, although they possess many properties of defined contribution plans. The deficient cover can be remedied by various methods, such as increasing employee and employer contributions, lowering the interest rate for retirement assets, or reducing future benefit claims.

**Summary of the pension provisions**

| in EUR K | 2024 | 2023 |
|---|---|---|
| Pension plan of the Euro companies | 87,907 | 88,568 |
| Pension plan of Sto AG, Switzerland | 2,302 | 2,913 |
| **Total** | **90,209** | **91,481** |

## Development of pension provisions

### Pension plan of the Euro companies

| in EUR K | Present value of the defined benefit obligation (I) | Fair value of the plan assets (II) | Liability from the defined benefit obligation (I) – (II) |
|---|---|---|---|
| **As at 1 January 2023** | **87,805** | **8,574** | **79,231** |
| Current service cost | 2,359 | 0 | 2,359 |
| Interest expense/income | 3,166 | 306 | 2,860 |
| **Expenses for/income from pension obligations recognised through profit or loss** | **5,525** | **306** | **5,219** |
| **Pension benefits paid** | **–2,940** | **–365** | **–2,575** |
| Actuarial gains and losses from changes in demographic assumptions | 174 | 0 | 174 |
| Actuarial gains and losses from changes in financial assumptions | 7,494 | 340 | 7,154 |
| Experience-based adjustments | –415 | 0 | –415 |
| **Profit/loss from reassessment recognised in other earnings** | **7,253** | **340** | **6,913** |
| **Employer contributions** | **0** | **220** | **–220** |
| **As at 31 December 2023** | **97,643** | **9,075** | **88,568** |

### Pension plan of the Euro companies

| in EUR K | Present value of the defined benefit obligation (I) | Fair value of the plan assets (II) | Liability from the defined benefit obligation (I) – (II) |
|---|---|---|---|
| **As at 1 January 2024** | **97,643** | **9,075** | **88,568** |
| Current service cost | 2,666 | 0 | 2,666 |
| Interest expense/income | 3,103 | 284 | 2,819 |
| **Expenses for/income from pension obligations recognised through profit or loss** | **5,769** | **284** | **5,485** |
| **Pension benefits paid** | **–3,280** | **–397** | **–2,883** |
| Actuarial gains and losses from changes in demographic assumptions | –105 | 0 | –105 |
| Actuarial gains and losses from changes in financial assumptions | –1,914 | –190 | –1,724 |
| Experience-based adjustments | –1,219 | 0 | –1,219 |
| **Profit/loss from reassessment recognised in other earnings** | **–3,238** | **–190** | **–3,048** |
| **Employer contributions** | **0** | **215** | **–215** |
| **As at 31 December 2024** | **96,894** | **8,987** | **87,907** |

The change in the actuarial gains and losses from changes to financial assumptions in comparison to the previous year is primarily due to the increase in the discount rate from 3.23 % to 3.41 %.

Current service costs are included in personnel costs; interest expenses on the obligation is reported under interest expenses, Note (10).

The plan assets of the Euro companies are qualifying insurance contracts in the form of reinsurance policies. The contributions to the plan assets for the following financial year are expected to amount to EUR 172 K (previous year: EUR 173 K).

20250904058 21

The calculation of pension provisions was based on the following assumptions:

**Germany**

| | 2024 | 2023 |
|---|---|---|
| Discount rate as at 31 December in % | 3.41 | 3.23 |
| Future pension increases in % | 2025: 4.90<br>from 2026: 2.10 | 2024: 5.90<br>from 2025: 2.10 |
| Age of retirement in years | 65 | 65 |

**Outside of Germany**

| | 2024 | 2023 |
|---|---|---|
| Discount rate as at 31 December in % | 3.41 | 3.23 |
| Future pension increases in % | 2.10 | 2.10 |
| Age of retirement in years | 62 – 65 | 62 – 65 |

Since 31 December 2018, the 'Richttafel 2018 G' (Reference Table 2018 G) by Prof Dr Klaus Heubeck has been used as the biometric basis for calculations for German companies.

The running period of the defined benefit obligation of the Euro companies averaged at 16.73 years (previous year: 17.16 years).

**Pension plan of Sto AG, Switzerland**

| in EUR K | Present value of the defined benefit obligation (I) | Fair value of the plan assets (II) | Liability from the defined benefit obligation (I) – (II) |
|---|---|---|---|
| **As at 1 January 2023** | **34,086** | **31,233** | **2,853** |
| **Currency differences** | **2,222** | **2,047** | **175** |
| Current service cost | 951 | 0 | 951 |
| Interest expense/income | 794 | 728 | 66 |
| Past service costs | – 424 | 0 | – 424 |
| Compensation for services | 0 | 0 | 0 |
| **Expenses for/income from pension obligations recognised through profit or loss** | **1,321** | **728** | **593** |
| **Pension benefits paid** | **– 3,757** | **– 3,757** | **0** |
| Actuarial gains and losses from changes in demographic assumptions | 0 | 0 | 0 |
| Actuarial gains and losses from changes in financial assumptions | 1,428 | 700 | 728 |
| Experience-based adjustments | 24 | 0 | 24 |
| **Profit/loss from reassessment recognised in other earnings** | **1,452** | **700** | **752** |
| **Employer contributions** | **0** | **1,460** | **– 1,460** |
| **Employee contributions** | **2,226** | **2,226** | **0** |
| **As at 31 December 2023** | **37,550** | **34,637** | **2,913** |

## Pension plan of Sto AG, Switzerland

| in EUR K | Present value of the defined benefit obligation (I) | Fair value of the plan assets (II) | Liability from the defined benefit obligation (I) – (II) |
|---|---|---|---|
| **As at 1 January 2024** | **37,550** | **34,637** | **2,913** |
| **Currency differences** | **–618** | **–564** | **–54** |
| Current service cost | 957 | 0 | 957 |
| Interest expense/income | 540 | 447 | 93 |
| Past service costs | –24 | 0 | –24 |
| Compensation for services | –608 | 0 | –608 |
| **Expenses for/income from pension obligations recognised through profit or loss** | **865** | **447** | **418** |
| **Pension benefits paid** | **–5,939** | **–5,939** | **0** |
| Actuarial gains and losses from changes in demographic assumptions | –6 | 0 | –6 |
| Actuarial gains and losses from changes in financial assumptions | 1,291 | 1,019 | 272 |
| Experience-based adjustments | 259 | 0 | 259 |
| **Profit/loss from reassessment recognised in other earnings** | **1,544** | **1,019** | **525** |
| **Employer contributions** | **0** | **1,500** | **–1,500** |
| **Employee contributions** | **2,583** | **2,583** | **0** |
| **As at 31 December 2024** | **35,985** | **33,683** | **2,302** |

The change in the actuarial gains and losses from changes to financial assumptions in comparison to the previous year is primarily due to the decline in the discount rate from 1.50 % to 1.00 %.

The plan assets of Sto AG, Switzerland, take the form of qualifying insurance contracts. All regulatory benefits such as disability, death and longevity are integrally covered in the insurance contract.

The contributions to the plan assets for the following financial year are expected to amount to EUR 1,402 K (previous year: EUR 1,514 K).

The calculation of pension provisions of Sto AG, Switzerland, was based on the following assumptions:

**Switzerland**

| | 2024 | 2023 |
|---|---|---|
| Discount rate as at 31 December in % | 1.00 | 1.50 |
| Future salary increases in % | 1.00 | 1.20 |
| Age of retirement in years | 65 | 65 |

The BVG 2020 Generation Life Table was used as the biometric base for calculation.

The running period of the defined benefit obligation averages at 11.10 years at the end of the reporting period (previous year: 10.50 years).

2025090405822

The following shows a quantitative sensitivity analysis of the most important assumptions as at 31 December 2024:

**Effects on the defined benefit obligation of the Euro countries**

| in EUR K | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| **Discount rate** | | |
| Decline by 0.5 % | 7,898 | 8,305 |
| Increase by 0.5 % | –7,072 | –7,412 |
| **Pensions** | | |
| Decline by 1.0 % | –9,324 | –9,610 |
| Increase by 1.0 % | 10,271 | 10,532 |
| **Life expectancy** | | |
| Decrease by 1 year | –3,037 | –3,097 |
| Increase by 1 year | 2,866 | 2,927 |
| **Retirement age** | | |
| Decrease by 1 year | 2,318 | 2,175 |
| Increase by 1 year | –2,231 | –2,393 |

**Effects on the defined benefit obligation of Sto AG Switzerland**

| in EUR K | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| **Discount rate** | | |
| Decline by 0.5 % | 2,143 | 1,863 |
| Increase by 0.5 % | –1,914 | –1,674 |
| **Salary adjustments** | | |
| Decline by 0.5 % | –89 | –113 |
| Increase by 0.5 % | 98 | 146 |
| **Life expectancy** | | |
| Decrease by 1 year | –409 | –318 |
| Increase by 1 year | 393 | 304 |

To determine the above sensitivity analysis, the provisions were determined based on the internationally applicable projected unit credit method taking into consideration the changed parameters while keeping the other parameters steady. These provisions were then compared to the provision as at 31 December 2024.

The following amounts are expected to be paid over the next few years as part of the defined benefit obligation:

**Expected disbursements**

| in EUR K | as at 31 Dec 2024 | as at 31 Dec 2023 |
|---|---|---|
| Within the next 12 months | 6,157 | 6,453 |
| Between 1 and 5 years | 27,009 | 24,543 |
| Between 5 and 10 years | 45,845 | 43,301 |
| **Expected disbursements within the next 10 years** | **79,011** | **74,297** |

## (25) Non-current and current other provisions

| in EUR K | Human resources division | Production division | Sales division | Miscellaneous provisions | Total |
|---|---|---|---|---|---|
| **As at 1 January 2023** | **6,086** | **2,373** | **36,917** | **3,353** | **48,729** |
| Currency differences | –34 | 0 | 43 | –6 | 3 |
| Consumption | –1,283 | –977 | –5,847 | –1,228 | –9,335 |
| Additions/formation | 2,578 | 943 | 7,506 | 1,882 | 12,909 |
| Changes to the companies consolidated | 0 | 0 | 0 | 0 | 0 |
| Compounding of interest | 139 | 9 | 280 | 2 | 430 |
| Reversal | –453 | –14 | –4,914 | –715 | –6,096 |
| **As at 31 December 2023** | **7,033** | **2,334** | **33,985** | **3,288** | **46,640** |
| **of which current** | **3,463** | **1,375** | **22,557** | **2,788** | **30,183** |
| **of which non-current** | **3,570** | **959** | **11,428** | **500** | **16,457** |
| **As at 1 January 2024** | **7,033** | **2,334** | **33,985** | **3,288** | **46,640** |
| Currency differences | 7 | 0 | –331 | –15 | –339 |
| Consumption | –1,648 | –1,040 | –7,047 | –1,133 | –10,868 |
| Additions/formation | 1,427 | 415 | 19,820 | 1,473 | 23,135 |
| Changes to the companies consolidated | 0 | 0 | 4 | 0 | 4 |
| Compounding of interest | 111 | 13 | 265 | 0 | 389 |
| Reversal | –503 | –231 | –4,318 | –156 | –5,208 |
| **As at 31 December 2024** | **6,427** | **1,491** | **42,378** | **3,457** | **53,753** |
| **of which current** | **3,019** | **566** | **28,662** | **2,975** | **35,222** |
| **of which non-current** | **3,408** | **925** | **13,716** | **482** | **18,531** |

Provisions in the area of human resources were set aside for anniversary expenses, termination settlements and similar obligations, among other things.

Provisions of the production division comprise, inter alia, asset retirement obligations and disposal costs.

Provisions in the sales area mainly include provisions for warranties. They also include compensation claims from commercial representatives and provisions for litigation risks.

The sales area includes, among other things, three significant individual provisions for warranties in the amount of EUR 26,181 K (previous year: EUR 18,569 K). One of these individual provisions is offset by an insurance refund claim in the amount of EUR 1,634 K (previous year: EUR 3,247 K), which is reported under current other assets.

In addition to provisions for acceptance obligations and safe-keeping obligations, the miscellaneous other provisions comprise additional factual circumstances subordinate in nature in terms of their recognition.

## (26) Non-current and current borrowings

| in EUR K | current | non-current | Carrying amount 31 Dec 2023 |
|---|---|---|---|
| Liabilities to banks | 916 | 20 | 936 |
| Other borrowings | 1,699 | 0 | 1,699 |
| **Total borrowings** | **2,615** | **20** | **2,635** |

| in EUR K | current | non-current | Carrying amount 31 Dec 2024 |
|---|---|---|---|
| Liabilities to banks | 24 | 0 | 24 |
| Other borrowings | 1,699 | 0 | 1,699 |
| **Total borrowings** | **1,723** | **0** | **1,723** |

## (27) Non-current and current lease liabilities

| in EUR K | current | non-current | Carrying amount 31 Dec 2023 |
|---|---|---|---|
| Liabilities from leases | 21,855 | 79,114 | 100,969 |

| in EUR K | current | non-current | Carrying amount 31 Dec 2024 |
|---|---|---|---|
| Liabilities from leases | 25,536 | 77,062 | 102,598 |

20250904055823

The current and future payments from lease liabilities can be seen in the following tables:

| in EUR K | 2023 | up to 1 year | 1–5 years | >5 years | 31 Dec 2023 |
|---|---|---|---|---|---|
| Lease payments | 25,934 | 24,876 | 65,353 | 21,588 | 111,817 |
| Interest portions | 2,544 | 3,021 | 5,640 | 2,187 | 10,848 |
| **Carrying amount/present value of lease liabilities** | **23,390** | **21,855** | **59,713** | **19,401** | **100,969** |
| Payments for current leases | 10,914 | 1,383 | 0 | 0 | 1,383 |
| Payments for small-ticket leases | 1,026 | 181 | 138 | 0 | 319 |

| in EUR K | 2024 | up to 1 year | 1–5 years | >5 years | 31 Dec 2024 |
|---|---|---|---|---|---|
| Lease payments | 29,758 | 28,796 | 66,566 | 18,388 | 113,750 |
| Interest portions | 3,740 | 3,260 | 5,422 | 2,470 | 11,152 |
| **Carrying amount/present value of lease liabilities** | **26,018** | **25,536** | **61,144** | **15,918** | **102,598** |
| Payments for current leases | 12,701 | 698 | 0 | 0 | 698 |
| Payments for small-ticket leases | 1,086 | 156 | 124 | 0 | 280 |

Total lease payments in the current year amounted to EUR 43,545 K (previous year: EUR 37,874 K).

Potential future cash outflows from leases were not included in the lease liability as it was not sufficiently certain that the leasing contracts would be renewed.

Cash outflows from leases possible in the future are shown in the following table:

| in EUR K | 2024 | 2023 |
|---|---|---|
| From extension and termination options | 9,651 | 5,062 |
| From contracts not yet active | 4,890 | 8,831 |

Current earnings include the following additional expenses relating to leases:

| in EUR K | 2024 | 2023 |
|---|---|---|
| Expenses for short-term leases | 12,701 | 10,914 |
| Expenses for small-ticket leases | 1,086 | 1,026 |
| Expenses (income) from variable lease payments | 441 | –162 |
| Amortisation of rights of use | 27,401 | 24,049 |

Information on the rights of use and further explanations can be found in Notes (10) and (15).

## (28) Non-current and current trade payables

| in EUR K | current | non-current | Carrying amount 31 Dec 2024 | current | non-current | Carrying amount 31 Dec 2023 |
|---|---|---|---|---|---|---|
| **from** | | | | | | |
| Third parties | 58,505 | 71 | 58,576 | 67,461 | 202 | 67,663 |
| Companies accounted for using the equity method | 125 | 0 | 125 | 324 | 0 | 324 |
| **Total trade payables** | **58,630** | **71** | **58,701** | **67,785** | **202** | **67,987** |

The fair values of trade payables correspond to the carrying amounts.

## (29) Non-current and current other financial liabilities

| in EUR K | current | non-current | Carrying amount 31 Dec 2024 | current | non-current | Carrying amount 31 Dec 2023 |
|---|---|---|---|---|---|---|
| Negative fair values of derivative financial instruments | 246 | 0 | 246 | 1,467 | 0 | 1,467 |
| **Miscellaneous other financial liabilities** | | | | | | |
| towards customers | 25,054 | 0 | 25,054 | 28,125 | 0 | 28,125 |
| towards employees | 1,290 | 0 | 1,290 | 1,340 | 0 | 1,340 |
| Other | 12,225 | 2,353 | 14,578 | 14,318 | 6,302 | 20,620 |
| **Total other financial liabilities** | **38,815** | **2,353** | **41,168** | **45,250** | **6,302** | **51,552** |

As in the previous year, the negative fair value of derivative financial instruments resulted from currency hedging transactions explained in Note (33) in more detail.

## (30) Non-current and current other liabilities

| in EUR K | current | non-current | Carrying amount 31 Dec 2024 | current | non-current | Carrying amount 31 Dec 2023 |
|---|---|---|---|---|---|---|
| Advance payment received on orders | 2,933 | 0 | 2,933 | 3,369 | 0 | 3,369 |
| **Miscellaneous liabilities** | | | | | | |
| from other taxes | 10,119 | 0 | 10,119 | 10,694 | 0 | 10,694 |
| social security liabilities | 5,096 | 0 | 5,096 | 5,127 | 0 | 5,127 |
| towards employees | 26,188 | 0 | 26,188 | 33,054 | 279 | 33,333 |
| Other | 7,135 | 8 | 7,143 | 7,964 | 13 | 7,977 |
| **Total other liabilities** | **51,471** | **8** | **51,479** | **60,208** | **292** | **60,500** |

20250904058 24

# Other disclosures

## (31) Statement of cash flows

The Statement of cash flows shows how the Group's liquidity position has changed in the course of the year under review as a result of cash inflows and outflows. For this purpose, it distinguishes between cash flow from operating activities, cash flow from investing activities and cash flow from financing activities (IAS 7 Statement of Cash Flows).

The liquid fund in the Statement of cash flows solely comprises the cash and cash equivalents reported in the Statement of financial situation that include financial investments with an original term of up to three months.

Based on EAT, the cash flow is indirectly derived from operating activities. Earnings after taxes (EAT) are adjusted for taxes on income and earnings as well as for non-cash expenses (essentially depreciation/amortisation) and non-cash income. Cash flow from operating activities reflects changes in working capital.

Cash inflows and cash outflows from investing and financing activities are calculated using the direct method. Investment activities comprise disbursements for additions to Intangible assets and Tangible fixed assets as well as disbursements for the acquisition of consolidated companies and other business units, interest received, deposits arising from the disposal of Intangible assets and Property, plant and equipment, as well as disbursements and payments for financial investments.

Financing activities comprise cash outflows from payments to shareholders, interest payments, payments for the repayment portion of the lease liabilities, and the taking-out and repayment of loans, as well as changes to miscellaneous borrowings. Changes in the balance sheet items analysed for the statement of cash flows cannot be directly derived from the Statement of financial situation on account of non-cash currency translation effects and other non-cash transactions.

The following overview shows the changes in the liabilities from financing activities.

| in EUR K | 1 January 2023 | Changes to the companies consolidated | Cash flows | New leases | Reclassification of maturity | Currency translation effects | 31 December 2023 |
|---|---|---|---|---|---|---|---|
| Current interest-bearing loans | 4,058 | 0 | −2,353 | 0 | 911 | −1 | 2,615 |
| Non-current interest-bearing loans | 932 | 0 | 0 | 0 | −911 | −1 | 20 |
| **Total interest-bearing loans** | **4,990** | **0** | **−2,353** | **0** | **0** | **−2** | **2,635** |
| Current lease liabilities | 19,798 | 0 | −23,390 | 4,180 | 21,841 | −574 | 21,855 |
| Non-current lease liabilities | 60,693 | 0 | 0 | 40,568 | −21,841 | −306 | 79,114 |
| **Total lease liabilities** | **80,491** | **0** | **−23,390** | **44,748** | **0** | **−880** | **100,969** |
| **Total liabilities from financing activities** | **85,481** | **0** | **−25,743** | **44,748** | **0** | **−882** | **103,604** |

| in EUR K | 1 January 2024 | Changes to the companies consolidated | Cash flows | New leases | Reclassification of maturity | Currency translation effects | 31 December 2024 |
|---|---|---|---|---|---|---|---|
| Current interest-bearing loans | 2,615 | 980 | −1,892 | 0 | 20 | 0 | 1,723 |
| Non-current interest-bearing loans | 20 | 0 | 0 | 0 | −20 | 0 | 0 |
| **Total interest-bearing loans** | **2,635** | **980** | **−1,892** | **0** | **0** | **0** | **1,723** |
| Current lease liabilities | 21,855 | 332 | −26,018 | 3,979 | 25,525 | −137 | 25,536 |
| Non-current lease liabilities | 79,114 | −39 | 0 | 24,273 | −25,525 | −761 | 77,062 |
| **Total lease liabilities** | **100,969** | **293** | **−26,018** | **28,252** | **0** | **−898** | **102,598** |
| **Total liabilities from financing activities** | **103,604** | **1,273** | **−27,910** | **28,252** | **0** | **−898** | **104,321** |

## (32) Segment reporting

For the purpose of corporate management by the responsible corporate entity – the personally liable partner STO Management SE – the Group was divided up into geographical business units. These were divided into the operating segments of Western Europe, Northern/Eastern Europe and America/Asia/Pacific. The business segment of Western Europe comprised business in the regions of the Euro zone (without Finland, Lithuania, and Slovakia), Switzerland, as well as Great Britain.

The activities of all segments included the production and distribution of facade systems, facade coatings, interior products, and other product groups.

The full Executive Board of the personally liable partner STO Management SE was identified as Chief Operating Decision Maker as the underlying topics, e.g. the allocation of resources and questions regarding corporate planning, were jointly decided by the Executive Board.

The netting prices between segments conformed to arms-length conditions. Transfers between business segments were eliminated on consolidation.

Internal reporting was carried out in accordance with IFRS.

The segment results were reported in the levels EBITDA, EBIT, and EBT. The elimination of inter-segment earnings, the income from investments of the company using the equity method of EUR 92 K and the deconsolidation result of Sto Ltd., Paisley/ Great Britain of EUR 260 K were recognised in EBT. In the previous year's EBT, the elimination of inter-segment earnings, income from investments of the company accounted for using the equity method of EUR 189 K as well as the deconsolidation result of OOO Sto, Moscow/Russia of EUR 316 K were recognised in the consolidation column.

Depreciation/amortisation relate to Property, plant, and equipment, Intangible assets, Rights of use as well as Impairments. Investments relate to Property, plant and equipment, and Intangible assets.

In the year under review, impairment tests at Sto Ltd., Paisley/ Great Britain and the CGU Ströher resulted in necessary impairments on intangible assets of EUR 865 K and EUR 689 K respectively in the segment of Western Europe.

In the previous year, an impairment test in the segment of Western Europe at Südwest Lacke + Farben GmbH & Co. KG and GEPADI Fliesen GmbH revealed necessary impairments on Intangible asset of EUR 2,780 K and EUR 325 K respectively.

Segment assets mainly comprise Property, plant and equipment, Intangible assets, Rights of use, Inventories, Trade receivables from third parties as well as Other receivable and Financial assets from third parties. Segment assets are not a control variable.

Income tax receivables in the amount of EUR 15,308 K (previous year: EUR 4,790 K), and Deferred tax assets in the amount of EUR 20,820 K (previous year: EUR 18,014 K) are listed in the 'Reconciliation/consolidation booking entries' column under 'Segment assets'. No material adjustments were made to earnings.

Owing to the broad customer structure, there is no customer with whom 10 % or more of sales revenues are generated.

The breakdown of sales revenues is made according to the customer's head office.

| in EUR K | Germany | France | Miscellaneous | **Total in 2023** |
|---|---|---|---|---|
| External revenues | 716,090 | 199,018 | 802,919 | **1,718,027** |
| Intangible assets, Property, plant and, equipment, and Rights of use | 258,513 | 33,993 | 162,270 | **454,776** |

| in EUR K | Germany | France | Miscellaneous | **Total in 2024** |
|---|---|---|---|---|
| External revenues | 653,535 | 194,202 | 764,574 | **1,612,311** |
| Intangible assets, Property, plant and, equipment, and Rights of use | 245,201 | 36,415 | 171,288 | **452,904** |

20250904058825

## (33) Further information on financial instruments

The Sto Group categorises financial instruments as follows:

- Financial instruments at fair value through profit or loss
- Financial assets at amortised costs of acquisition
- Financial instruments with a value recognition in accordance with IFRS 16
- financial instruments outside the scope of application of IFRS 7 (equity investments)

### Reconciliation of balance sheet items with financial instrument categories 2023

| in EUR K | Measurement category in accordance with IFRS 9 | Carrying amount 31 Dec 2023 | Financial instruments | | | | |
|---|---|---|---|---|---|---|---|
| | | | Amortised costs of acquisition | | Fair value | Value recognition in the balance sheet in accordance with IFRS 16 | Not in the scope of application of IFRS 7/hedge accounting |
| | | | Carrying amount | Fair value | | | |
| **Assets** | | | | | | | |
| Trade receivables | FAAC | 166,952 | 166,952 | 166,952 | 0 | 0 | 0 |
| Other financial assets | | | | | | | |
| Other investments | FVTPL | 4 | 0 | 0 | 4 | 0 | 0 |
| Holding and trading of financial investments | FVOCI | 152,419 | 0 | 0 | 152,419 | 0 | 0 |
| Derivative assets without hedge relationship | FVTPL | 82 | 0 | 0 | 82 | 0 | 0 |
| Miscellaneous other financial assets | FAAC | 7,206 | 7,206 | 7,206 | 0 | 0 | 0 |
| Other financial assets – joint ventures | FAAC | 254 | 254 | 254 | 0 | 0 | 0 |
| Financial investments | FAAC | 46,844 | 46,844 | 45,772 | 0 | 0 | 0 |
| Total other financial assets | | 206,809 | 54,304 | 53,232 | 152,505 | 0 | 0 |
| Cash and cash equivalents | FAAC | 122,278 | 122,278 | 122,278 | 0 | 0 | 0 |
| **Equity and liabilities** | | | | | | | |
| Borrowings | FLAC | 2,635 | 2,635 | 2,628 | 0 | 0 | 0 |
| Lease liabilities | NA | 100,969 | 0 | 0 | 0 | 100,969 | 0 |
| Trade payables | FLAC | 67,987 | 67,987 | 67,987 | 0 | 0 | 0 |
| Other financial liabilities | | | | | | | |
| Derivative liabilities without hedge relationship | FLTPL | 1,467 | 0 | 0 | 1,467 | 0 | 0 |
| Miscellaneous other financial liabilities | FLAC | 50,085 | 50,085 | 50,085 | 0 | 0 | 0 |
| Total other financial liabilities | | 51,552 | 50,085 | 50,085 | 1,467 | 0 | 0 |

## Reconciliation of balance sheet items with financial instrument categories 2024

| in EUR K | Measurement category in accordance with IFRS 9 | **Carrying amount 31 Dec 2024** | Financial instruments | | | | |
|---|---|---|---|---|---|---|---|
| | | | Amortised costs of acquisition | | Fair value | Value recognition in the balance sheet in accordance with IFRS 16 | Not in the scope of application of IFRS 7/hedge accounting |
| | | | Carrying amount | Fair value | | | |
| **Assets** | | | | | | | |
| Trade receivables | FAAC | 165,096 | 165,096 | 165,096 | 0 | 0 | 0 |
| Other financial assets | | | | | | | |
| Other investments | FVTPL | 4 | 0 | 0 | 4 | 0 | 0 |
| Holding and trading of financial investments | FVOCI | 156,607 | 0 | 0 | 156,607 | 0 | 0 |
| Derivative assets without hedge relationship | FVTPL | 407 | 0 | 0 | 407 | 0 | 0 |
| Miscellaneous other financial assets | FAAC | 9,197 | 9,197 | 9,197 | 0 | 0 | 0 |
| Other financial assets – joint ventures | FAAC | 252 | 252 | 252 | 0 | 0 | 0 |
| Financial investments | FAAC | 49,487 | 49,487 | 49,087 | 0 | 0 | 0 |
| Total other financial assets | | 215,954 | 58,936 | 58,536 | 157,018 | 0 | 0 |
| Cash and cash equivalents | FAAC | 110,932 | 110,932 | 110,932 | 0 | 0 | 0 |
| **Equity and liabilities** | | | | | | | |
| Borrowings | FLAC | 1,723 | 1,723 | 1,723 | 0 | 0 | 0 |
| Lease liabilities | NA | 102,598 | 0 | 0 | 0 | 102,598 | 0 |
| Trade payables | FLAC | 58,701 | 58,701 | 58,701 | 0 | 0 | 0 |
| Other financial liabilities | | | | | | | |
| Derivative liabilities without hedge relationship | FLTPL | 246 | 0 | 0 | 246 | 0 | 0 |
| Miscellaneous other financial liabilities | FLAC | 40,922 | 40,922 | 40,922 | 0 | 0 | 0 |
| Total other financial liabilities | | 41,168 | 40,922 | 40,922 | 246 | 0 | 0 |

The carrying amounts of the financial instruments aggregated in accordance with the measurement categories stipulated in IFRS 9:

| in EUR K | **31 Dec 2024** | **31 Dec 2023** |
|---|---|---|
| Financial assets at fair value through profit or loss (FVTPL) | 411 | 86 |
| Financial assets at amortised cost (FAAC) | 334,964 | 343,534 |
| Financial assets measured at fair value with no impact on profit or loss (FVOCI) | 156,607 | 152,419 |
| Financial liabilities at amortised cost (FLAC) | 101,346 | 120,707 |
| Financial liabilities at fair value through profit or loss (FLTPL) | 246 | 1,467 |

20250904058826

## Fair value hierarchy of financial assets and liabilities measured at fair value

| in EUR K | 31 Dec 2023 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Financial assets measured at fair value through profit or loss | | | | |
| · Derivatives with no hedge relationship | 82 | 0 | 82 | 0 |
| · Miscellaneous | 4 | 0 | 0 | 4 |
| Financial assets measured at fair value with no impact on profit or loss | | | | |
| · Holding and trading of financial investments | 152,419 | 152,419 | 0 | 0 |
| **Financial assets measured at fair value** | **152,505** | **152,419** | **82** | **4** |
| Financial liabilities measured at fair value through profit or loss | | | | |
| · Derivatives with no hedge relationship | 1,467 | 0 | 1,467 | 0 |
| **Financial liabilities measured at fair value** | **1,467** | **0** | **1,467** | **0** |

| in EUR K | 31 Dec 2024 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Financial assets measured at fair value through profit or loss | | | | |
| · Derivatives with no hedge relationship | 407 | 0 | 407 | 0 |
| · Miscellaneous | 4 | 0 | 0 | 4 |
| Financial assets measured at fair value with no impact on profit or loss | | | | |
| · Holding and trading of financial investments | 156,607 | 156,607 | 0 | 0 |
| **Financial assets measured at fair value** | **157,018** | **156,607** | **407** | **4** |
| Financial liabilities measured at fair value through profit or loss | | | | |
| · Derivatives with no hedge relationship | 246 | 0 | 246 | 0 |
| **Financial liabilities measured at fair value** | **246** | **0** | **246** | **0** |

The following financial assets and liabilities accounted for at fair value are structured according to the following levels:

**Level 1**
Financial instruments traded in active markets, the listed prices of which were adopted unchanged for measurement purposes.

**Level 2**
The valuation was made on the basis of valuation methods in which the influential factors were derived either directly or indirectly from observable market data. They were measured based on the observable exchange rates, interest structure curves of the respective currencies as well as currency-related basic spreads between the respective currencies. Derivatives consisted exclusively of currency hedges.

**Level 3**
The measurement was effected using valuation methods where the influential factors were not based exclusively on observable market data.

Neither any reclassifications between the levels nor any additions or disposals were carried out during the reporting period.

The valuation result from fair-value measurement with an impact on profit or loss is a component of Other operating income, Note (3) and Other operating expenses, Note (6). No netting takes place.

Financial instruments recognised at fair value with no impact on profit or loss were measured on the basis of market values as at the reference date.

The following table shows the carrying amounts and fair values of the financial instruments as at 31 December 2024, excluding financial instruments which typically barely differ between carrying amount and fair value:

| in EUR K | **Carrying amount 31 Dec 2024** | Fair value 31 Dec 2024 | Fair-value level |
|---|---|---|---|
| **Other financial assets** | | | |
| Non-current | | | |
| Investments | 4 | 4 | Level 3 |
| Loans | 4 | 4 | Level 2 |
| Financial investments (FVOCI) | 53,089 | 53,089 | Level 1 |
| Financial investments (FAAC) | 19,594 | 19,309 | Level 2 |
| Various other financial assets | 1,867 | 1,867 | Level 2 |
| **Total non-current other financial assets** | **74,558** | **74,273** | |
| Current | | | |
| Financial investments (FVOCI) | 103,518 | 103,518 | Level 1 |
| Financial investments (FAAC) | 29,893 | 29,778 | Level 2 |
| Forward exchange contracts | 407 | 407 | Level 2 |
| Various other financial assets | 7,578 | 7,578 | Level 2 |
| **Total current other financial assets** | **141,396** | **141,281** | |
| **Total other financial assets** | **215,954** | **215,554** | |
| **Other financial liabilities** | | | |
| Non-current | | | |
| Borrowings | 0 | 0 | Level 2 |
| Various other financial liabilities | 2,353 | 2,353 | Level 2 |
| **Total non-current other financial liabilities** | **2,353** | **2,353** | |
| Current | | | |
| Borrowings | 1,723 | 1,723 | Level 2 |
| Forward exchange contracts | 246 | 246 | Level 2 |
| Various other financial liabilities | 38,569 | 38,569 | Level 2 |
| **Total current other financial liabilities** | **40,538** | **40,538** | |
| **Total other financial liabilities** | **42,891** | **42,891** | |

The carrying amounts of cash and cash equivalents, trade receivables and liabilities as well as current borrowings and other liabilities nearly correspond to the fair values due to their short terms. The financial investments and borrowings are mainly borrower's note loans, Money Market Funds, fixed-term deposits, loans and current account credits to banks. The fair values of financial assets and liabilities at amortised cost were determined using the present-value method based on interest rates appropriate to maturities and creditworthiness.

20250904058 27

## Net earnings from financial instruments categorised in accordance with IFRS 9

The following table shows the net earnings of the financial instruments by measurement categories:

| in EUR K | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Financial assets at fair value through profit or loss (FVTPL) | 1,232 | 1,365 |
| Financial assets measured at fair value with no impact on profit or loss (FVOCI) | 73 | –158 |
| Financial assets at amortised cost (FAAC) | –4,733 | –417 |
| **Equity and liabilities** | | |
| Financial liabilities at amortised cost (FLAC) | –2,064 | –2,161 |
| Financial liabilities at fair value through profit or loss (FLTPL) | –1,385 | –3,565 |

Net earnings from financial assets and liabilities recognised at fair value through profit or loss include changes in market value as well as exchange-rate related income and expenses from these financial instruments. Interest expenses and interest income are not part of net earnings.

The change compared to the previous year within the valuation category financial assets measured at amortised acquisition costs (FAAC) resulted primarily from the valuation result of trade receivables, which in the previous year was influenced by the adjustment of default rates in the amount of EUR 3,122 K.

## Total interest income and expense from financial instruments not recognised at fair value through profit or loss

The following table shows the total interest income and expenses of the financial instruments. All interest is attributable to financial receivables and financial liabilities, which are measured at amortised acquisition costs.

| in EUR K | 2024 | 2023 |
|---|---|---|
| Interest income | 5,305 | 4,509 |
| Interest expenses | 4,434 | 3,432 |
| **Net interest income** | **871** | **1,077** |

## Valuation of derivative financial instruments

The market values of the derivative financial instruments are determined on the basis of the tradability based on reference prices and valuation models and is presented as follows:

**31 Dec 2023**

| in EUR K | Nominal volume | Total market value |
|---|---|---|
| Currency forwards | 61,032 | –1,385 |
| **Total derivative financial instruments** | **61,032** | **–1,385** |

**31 Dec 2024**

| in EUR K | Nominal volume | Total market value |
|---|---|---|
| Currency forwards | 61,568 | 161 |
| **Total derivative financial instruments** | **61,568** | **161** |

The nominal volume of a derivative hedge transaction is the reference amount for which the payments are derived. The hedged contract and the risk are not the same as the nominal volume but only reflect rate changes to which they refer. The market value corresponds to the amount that would have to be paid at the balance sheet date if the hedge had been settled.

The increase in the nominal volume in a functional currency in case of foreign currency forwards is based on an increased hedging volume of payments outside the functional currency.

As a rule, the residual maturity of the currency derivatives lies within a year.

## Hedging policy

The Group's international activities expose it to interest and currency risks in particular. The goal of risk management is to adequately hedge currency risks that can arise during planning. Currency forwards with a term of up to one year are generally concluded for this purpose.

Directives are used to regulate the scope of action and internal controls. Within the framework of these directives, only hedging transactions with approved counterparties may be concluded to hedge existing or planned transactions. As a matter of principle, the type and scope of hedging operations are determined by the underlying transaction.

## Liquidity risk

Liquidity planning is the basis of liquidity management. As at the balance sheet date, cash and cash equivalents as well as existing, unused credit lines in the amount of EUR 126.2 million (previous year: EUR 126.2 million) were available. The credit facilities were essentially a syndicated loan whose term had originally been agreed until April 2027 with two one-year extension options. In the meantime, the first extension option has been utilised, meaning that the term is currently agreed until April 2028.

The following overview sets out the contractually agreed cash outflows from financial instruments including interest, not including cash outflows from leases shown in Note (27).

| Cash outflows as at 31 December 2023<br>in EUR K | up to 1 year | 1–5 years | 5–10 years | **31 Dec 2023** |
|---|---|---|---|---|
| Borrowings | 2,684 | 20 | 0 | 2,704 |
| Trade payables | 67,792 | 202 | 0 | 67,994 |
| Other financial liabilities | 43,903 | 6,615 | 0 | 50,518 |
| Derivatives | 60,820 | 0 | 0 | 60,820 |
| **Total cash outflows** | **175,199** | **6,837** | **0** | **182,036** |

| Cash outflows as at 31 December 2024<br>in EUR K | up to 1 year | 1–5 years | 5–10 years | **31 Dec 2024** |
|---|---|---|---|---|
| Borrowings | 1,759 | 0 | 0 | 1,759 |
| Trade payables | 58,637 | 74 | 0 | 58,711 |
| Other financial liabilities | 38,612 | 2,421 | 0 | 41,033 |
| Derivatives | 61,376 | 0 | 0 | 61,376 |
| **Total cash outflows** | **160,384** | **2,495** | **0** | **162,879** |

In the following, the cash outflows are compared to the cash inflows of the derivatives:

| Cash inflows/outflows as at 31 December 2023<br>in EUR K | up to 1 year | 1–5 years | 5–10 years | **Total** |
|---|---|---|---|---|
| Inflow | 59,435 | 0 | 0 | 59,435 |
| Outflow | 60,820 | 0 | 0 | 60,820 |
| **Balance** | **–1,385** | **0** | **0** | **–1,385** |

| Cash inflows/outflows as at 31 December 2024<br>in EUR K | up to 1 year | 1–5 years | 5–10 years | **Total** |
|---|---|---|---|---|
| Inflow | 61,537 | 0 | 0 | 61,537 |
| Outflow | 61,376 | 0 | 0 | 61,376 |
| **Balance** | **161** | **0** | **0** | **161** |

The amounts correspond to the un-discounted cash flows. The payments can be processed on a gross or net basis.

**Default risk arising from financial assets**

The default risk arising with regard to financial assets is based on a contractual partner defaulting and is hence limited to the maximum net carrying amount of the receivable due from the respective counterparty.

In connection with the investment of cash and the portfolio of derivative financial assets, there are generally default risks due to the risks of financial institutions failing to honour their obligations. The resulting risk was controlled by means of diversification and the careful selection of counterparties. As at the balance sheet date, no cash investments or derivative financial assets were overdue or individually impaired.

The default risk of trade receivables was taken into account by means of impairments. There was no concentration of default risks, which were mainly measured by cluster risks, i.e. risk concentrations with regard to borrower rating classes, customer structure and proportion of receivables from a customer in relation to total receivables.

20250904058 28

## Development of impairment of the financial instruments measured at amortised acquisition costs

| in EUR K | Trade receivables | Other financial assets (FAAC) |
|---|---|---|
| **As at 1 January 2023** | **26,557** | **411** |
| Exchange rate differences | 125 | –6 |
| Additions | 9,441 | 59 |
| Consumption | –3,019 | 0 |
| Reversals | –8,102 | –68 |
| Changes to the companies consolidated | 0 | 0 |
| **As at 31 December 2023** | **25,002** | **396** |

| in EUR K | Receivables Deliveries and services | Other financial assets (FAAC) |
|---|---|---|
| **As at 1 January 2024** | **25,002** | **396** |
| Exchange rate differences | –193 | 0 |
| Additions | 7,710 | 31 |
| Consumption | –3,908 | –9 |
| Reversals | –4,407 | –145 |
| Changes to the companies consolidated | –15 | 0 |
| **As at 31 December 2024** | **24,189** | **273** |

### Impairment of financial assets

The basis of assessment for determining the provisions for loss using the general approach in relation to the age structure ranges in accordance with IFRS 9 resulted from the underlying gross receivables of EUR 189,285 K (previous year: EUR 191,954 K) less individual impairments of EUR 18,610 K (previous year: EUR 20,923 K) based on gross receivables of EUR 20,520 K (previous year: EUR 22,501 K), recoverable VAT of EUR 22,211 K (previous year: EUR 23,383 K), held securities from customers of EUR 4,480 K (previous year: EUR 3,804 K) as well as credit-insured contributions of EUR 27,651 K (previous year: 28,148 K). To calculate provisions for loss, the gross receivables, recoverable VAT, held securities from customers as well as credit-insured contributions underlying the individual impairments were deducted from the gross receivables for determining the basis of assessment as the corresponding amounts were assessed as fully recoverable and hence not associated with risks. After deducting the above-mentioned amounts from the gross receivables, gross receivables of EUR 114,423 K remained (previous year: EUR 114,118 K), which formed the basis for recognising provisions for loss of EUR 5,579 K (previous year: EUR 4,079 K).

IFRS 9 Provisions for loss on trade receivables using the general approach as at 31 December 2023:

| in EUR K | Not due: | 1–30 days | 31–60 days | 61–90 days | 91–120 days | 121–180 days | 181–364 days | 365–730 days | > 730 days | **Total** |
|---|---|---|---|---|---|---|---|---|---|---|
| Trade receivables | 81,308 | 15,489 | 5,437 | 2,137 | 1,695 | 2,026 | 2,374 | 2,185 | 1,467 | **114,118** |
| Risk coefficient | 0.12 % | 1.52 % | 3.85 % | 6.70 % | 9.30 % | 13.82 % | 22.44 % | 53.84 % | 85.00 % | |
| Provisions for loss | 98 | 235 | 209 | 143 | 158 | 280 | 533 | 1,176 | 1,247 | **4,079** |

IFRS 9 Provisions for loss on trade receivables using the general approach as at 31 December 2024:

| in EUR K | Not due: | 1–30 days | 31–60 days | 61–90 days | 91–120 days | 121–180 days | 181–364 days | 365–730 days | > 730 days | **Total** |
|---|---|---|---|---|---|---|---|---|---|---|
| Trade receivables | 79,437 | 17,438 | 5,621 | 2,304 | 1,302 | 1,683 | 1,996 | 1,866 | 2,776 | **114,423** |
| Risk coefficient | 0.19 % | 2.38 % | 6.02 % | 9.54 % | 13.43 % | 18.49 % | 27.56 % | 56.76 % | 85.00 % | |
| Provisions for loss | 151 | 415 | 338 | 220 | 175 | 311 | 550 | 1,059 | 2,360 | **5,579** |

Taking into account all impairments of EUR 24,189 K (previous year: EUR 25,002 K), this resulted in amortised acquisition costs of EUR 165,096 K (previous year: EUR 166,952 K).

IFRS 9 Provisions for loss on other financial assets and cash and cash equivalents as at 31 December 2023:

| in EUR K | Basis of assessment | Discount in % | **Provisions for loss** |
|---|---|---|---|
| Financial investments, and cash and cash equivalents (FAAC) | 169,495 | 0.22 % | 373 |
| Financial investment at fair value OCI (FVOCI) | 152,419 | 0.13 % | 198 |
| Other financial assets – joint ventures (FAAC) | 254 | 0.10 % | 0 |
| Other financial assets – Third parties (FAAC) | 7,220 | 0.19 % | 14 |

IFRS 9 Provisions for loss on other financial assets and cash and cash equivalents as at 31 December 2024:

| in EUR K | Basis of assessment | Discount in % | **Provisions for loss** |
|---|---|---|---|
| Financial investments, and cash and cash equivalents (FAAC) | 160,660 | 0.15 % | 241 |
| Financial investment at fair value OCI (FVOCI) | 156,607 | 0.08 % | 125 |
| Other financial assets – joint ventures (FAAC) | 252 | 0.07 % | 0 |
| Other financial assets – Third parties (FAAC) | 9,228 | 0.34 % | 31 |

The total impairment expense, including individual impairments, amounts to EUR 7,710 K (previous year: EUR 9,441 K) for Trade receivables and to EUR 31 K (previous year: EUR 59 K) for other financial assets (FAAC). As in the previous year, all impairment expenses are still in the process of being recovered.

20250904058 29

### Currency risk

Payments in foreign currency are determined in the budget phase for the following year. On the basis of the planned payment flows, suitable hedging strategies are created, agreed upon with the relevant bodies, and implemented. The planned cash positions are hedged without exception through hedging instruments congruent with the time and economic state from the area of derivatives. The currency hedge mainly affected CZK/EUR, HUF/EUR, SGD/EUR, NOK/EUR, SEK/EUR, PLN/EUR, CHF/EUR, GBP/EUR, DKK/EUR, AUD/EUR, NZD/EUR as well as CAD/USD. The changes in fair value were recognised in the Statement of profit or loss with an impact on profit or loss.

The main operative currency risks are due to the manufacture of products in Germany and their subsequent selling and delivery to subsidiaries outside of Germany in Euro. Currency risks occurred due to business completed in euros with subsidiaries outside the Euro zone, mainly in Switzerland, Sweden, Poland, Hungary, Great Britain, Norway, and the Czech Republic.
All non-functional currencies in which the Group holds financial instruments are used as relevant risk variables in the sensitivity analysis stipulated by IFRS 7.

The essential currency risk resulted from the change in the assets and liabilities in the non-functional currency pair USD/EUR. If the US dollar had been valued 10 % higher or lower against the euro, earnings before taxes would have been EUR 165 K higher or EUR 135 K lower.

In the previous year, the main currency risk resulted from the change in assets and liabilities in non-functional currencies of the currency pairs CAD/EUR and USD/EUR. If the Canadian dollar had been valued 10 % higher or lower against the euro, earnings before taxes would have been EUR 454 K higher or EUR 371 K lower respectively. If the US dollar had been valued 10 % higher or lower against the euro, earnings before taxes would have been EUR 225 K higher or EUR 184 K lower.

### Interest rate risk

Interest risks in accordance with IFRS 7 essentially arise due to possible changes in the market interest rates for cash investments and due to the variable interest rates for current and non-current liabilities.

The volume of non-current, variable-rate borrowings was so low that a change of the market interest level by 100 basis points as at 31 December 2024 would have had no significant impact on earnings, like in the previous year.

As at the balance sheet date, there was no interest risk due to the fixed interest rates of longer-term financial investments.

## (34) Contingencies

| in EUR K | 2024 | 2023 |
|---|---|---|
| Guarantees from the Sto Group to third parties | 549 | 598 |
| Reserve liability to cooperatives | 1 | 1 |
| **Total contingencies** | **550** | **599** |

In the case of the default guarantees or contingency of EUR 550 K (previous year: EUR 599 K), no liability is expected to arise.

## (35) Litigation

Sto SE & Co. KGaA is confronted with amendments to international and national general conditions in the USA, Great Britain, Canada and the European Union, among others. These include, for example, amendments to statutory warranty periods, which can also be made with retrospective effect, or the arbitrary introduction of customs duties. As some of the amendments are implemented unannounced and are therefore unpredictable, considerable risks may arise for the Sto Group. This does not exclude procedural costs and other related expenses that may arise in connection with the above legal risks and could have a material impact on our earnings.

Sto SE & Co. KGaA or its Group companies are not involved in any legal or arbitration proceedings which, according to current estimates, could have a significant influence on the Group's economic situation. There is no evidence that any such litigation or proceedings will arise in the future. Provisions in an appropriate amount have been set aside by the individual Group companies to allow for any expenses arising from court litigation or arbitration proceedings.

## (36) Other financial obligations

| in EUR K | 31 Dec 2023 | Maturity | | |
|---|---|---|---|---|
| | | within one year | between 1 – 5 years | after 5 years |
| Liabilities from maintenance contracts | 5,721 | 3,645 | 2,076 | 0 |
| Acceptance obligations | 42,245 | 30,654 | 11,583 | 8 |
| Other obligations | 4,125 | 1,932 | 2,186 | 7 |
| **Total other financial obligations** | **52,091** | **36,231** | **15,845** | **15** |

| in EUR K | 31 Dec 2024 | Maturity | | |
|---|---|---|---|---|
| | | within one year | between 1 – 5 years | after 5 years |
| Liabilities from maintenance contracts | 5,479 | 4,379 | 1,100 | 0 |
| Acceptance obligations | 46,336 | 27,577 | 18,759 | 0 |
| Other obligations | 4,511 | 2,116 | 2,387 | 8 |
| **Total other financial obligations** | **56,326** | **34,072** | **22,246** | **8** |

Of the acceptance obligations, an amount of EUR 4,885 K (previous year: EUR 11,761 K) relates to items of tangible fixed assets. Furthermore, acceptance obligations relating to inventories as well as other acceptance obligations exist.

## (37) Auditors' fees

The total fee charged for services provided by the Group auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart/Germany, and the global PwC network is as follows:

| in EUR K | 2024 | | 2023 | |
|---|---|---|---|---|
| | PwC worldwide | thereof Germany | PwC worldwide | thereof Germany |
| Auditing services | 1,326 | 866 | 1,187 | 727 |
| Tax consulting services | 0 | 0 | 0 | 0 |
| Other certification services | 399 | 393 | 98 | 90 |
| Other services | 0 | 0 | 0 | 0 |
| **Auditors' fees in total** | **1,725** | **1,259** | **1,285** | **817** |

The audit services include subsequent charges from the 2023 financial year in the amount of EUR 58 K.

The auditing services primarily related to the statutory audits of the annual financial statement and consolidated financial statements of Sto SE & Co. KGaA as well as various audits of the annual financial statements of its subsidiaries. The services rendered for other certification or valuation activities mainly included legally or contractually required certifications of the auditor.

## (38) Events after the balance sheet date

At the end of March 2025, a future pact was agreed on together with the General Works Council of Sto SE & Co. KGaA and StoCretec GmbH, in which the future collective bargaining framework for the employees of these companies was jointly determined. The agreement includes extensive cost-saving measures in the area of personnel in order to significantly reduce costs and secure jobs.

Between the end of the financial year of 2024 and the point at which this report was signed off, there were no other events with a significant impact on the income, financial and asset situation of the Group.

20250904058830

## (39) Related-party disclosures

IAS 24 defines related parties as persons or entities liable to be influenced by the reporting entity or are capable of influencing the reporting entity in question. Please refer to Section 1. 'Information on the Company' within the chapter 'General information' for information on the shareholder structure.

All business relations with related parties were conducted on arms-length terms.

As at 31 December 2024, members of the Executive Board of STO Management SE and the Supervisory Board of Sto SE & Co. KGaA are members of the supervisory boards of or have a leading position at other companies with which Sto SE & Co. KGaA maintains relations as part of its ordinary business activities. All transactions with such companies are conducted on arms-length terms.

The volume of deliveries and services, including net interest income, between companies in the Sto Group and related parties and persons are set out in the following table:

| in EUR K | Share | Rendered deliveries and services | | Received deliveries and services | | Receivables from | | Liabilities to | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Inotec GmbH, Waldshut-Tiengen/Germany | 47.5 % | 21 | 25 | 3,349 | 4,317 | 252 | 255 | 125 | 324 |
| STO Management SE, Stühlingen/Germany | | 1,056 | 963 | 4,494 | 6,029 | 78 | 138 | 2,464 | 3,970 |
| Stotmeister Beteiligungs GmbH, Stühlingen/Germany | | 114 | 62 | 0 | 0 | 48 | 45 | 0 | 0 |
| Other | | 0 | 0 | 355 | 333 | 0 | 0 | 49 | 33 |

## (40) List of subsidiaries and investments as at 31 December 2024

### Fully consolidated companies in Germany

| Capital share in % | 2024 | 2023 |
|---|---|---|
| StoCretec GmbH, Kriftel/Germany | 100 | 100 |
| Verotec GmbH, Lauingen/Germany | 100 | 100 |
| Gefro Verwaltungs-GmbH & Co. KG, Stühlingen/Germany | 100 | 100 |
| Südwest Lacke + Farben GmbH & Co. KG, Böhl-Iggelheim/Germany | 100 | 100 |
| Südwest Lacke + Farben Verwaltungs-GmbH, Böhl-Iggelheim/Germany | 100 | 100 |
| Innolation GmbH, Lauingen/Germany | 100 | 100 |
| Sto SMEE Beteiligungs GmbH, Stühlingen/Germany | 100 | 100 |
| Ströher GmbH, Dillenburg/Germany | 100 | 100 |
| Ströher Produktions GmbH & Co. KG, Dillenburg/Germany | 100 | 100 |
| GEPADI Fliesen GmbH, Dillenburg/Germany | 100 | 100 |
| JONAS Farben GmbH, Wülfrath/Germany | 100 | 100 |
| Sto BTB GmbH, Stühlingen/Germany | 100 | 100 |
| Sto BTF GmbH, Stühlingen/Germany | 100 | 100 |
| Sto BTK GmbH, Stühlingen/Germany | 100 | 100 |
| Sto BTN GmbH, Stühlingen/Germany | 100 | 100 |
| Sto BTR GmbH, Stühlingen/Germany | 100 | 100 |
| Sto BTV GmbH, Stühlingen/Germany | 100 | 100 |
| Sto Building Solutions GmbH, Stühlingen/Germany | 100 | 100 |
| Liaver GmbH & Co. KG, Ilmenau/Germany | 100 | 100 |
| Liaver Beteiligungen GmbH, Stühlingen/Germany | 100 | 100 |
| Sto Panel Holding GmbH, Stühlingen/Germany | 100 | 100 |
| VIACOR Polymer GmbH, Rottenburg am Neckar/Germany | 100 | 100 |

For changes in 2024, please refer to Section 4. 'Companies consolidated' within the chapter 'General information'.

### Fully consolidated companies outside of Germany

| Capital share in % | 2024 | 2023 |
|---|---|---|
| Sto Ges.m.b.H., Villach/Austria | 100 | 100 |
| Sto S.A.S., Bezons/France | 100 | 100 |
| Beissier S.A.S., La Chapelle la Reine/France | 100 | 100 |
| Innolation S.A.S., Amilly/France | 100 | 100 |
| Beissier S.A.U., Errenteria/Spain | 100 | 100 |
| Sto SDF Ibérica S.L.U., Sant Boi de Llobregat/Spain | 100 | 100 |
| Sto Isoned B.V., Tiel/Netherlands | 100 | 100 |
| Sto N.V., Asse/Belgium | 100 | 100 |
| Sto S.à r.l., Grevenmacher/Luxemburg | 100 | 100 |
| Sto Italia Srl, Empoli/Italy | 100 | 100 |
| Sto Finexter OY, Vantaa/Finland | 100 | 100 |
| Sto Scandinavia AB, Linköping/Sweden | 100 | 100 |
| Sto Danmark A/S, Hvidovre/Denmark | 100 | 100 |
| Sto Norge AS, Langhus/Norway | 95 | 95 |
| UAB TECH-COAT, Klaipéda/Lithuania | 100 | 100 |
| Sto AG, Niederglatt/Switzerland | - | 100 |
| Sto Ltd., Paisley/Great Britain | 100 | 100 |
| Sto Sp. z o.o., Warsaw/Poland | 100 | 100 |
| Sto Építöanyag Kft., Dunaharaszti/Hungary | 100 | 100 |
| Sto s.r.o., Dobřejovice/Czech Republic | 100 | 100 |
| STOMIX spol. s.r.o., Skorosice/Czech Republic | 100 | 100 |
| Sto Slovensko s.r.o., Bratislava/Slovakia | 100 | 100 |
| Sto Yapı Sistemleri Sanayi ve Ticaret A.Ş., Istanbul/Türkiye | 100 | 100 |
| Sto Corp., Atlanta/USA | 100 | 100 |
| Sto Canada Ltd., Etobicoke/Canada | 100 | 100 |
| Skyrise Prefab Building Solutions Inc., Pickering/Canada | 100 | 100 |
| Industrial y Comercial Sto Chile Ltda., Santiago de Chile/Chile | 100 | 100 |
| Sto Colombia S.A.S., Bogota D.C./Columbia | 100 | 100 |
| Sto Mexico S. de R.L. de C.V., Monterrey/Mexico | 100 | 100 |
| Sto Brasil Revestimentos e Fachadas Ltda., Itaquaquecetuba/Brazil | 100 | 100 |
| Sto Corp. Latin America Inc., Panama/Panama* | 100 | 100 |
| Shanghai Sto Ltd., Shanghai/China | 100 | 100 |
| Langfang Sto Building Material Co. Ltd., Langfang/China | 100 | 100 |
| Wuhan Sto Building Material Co. Ltd., Wuhan/China | 100 | 100 |
| Sto SEA Pte. Ltd., Singapore/Singapore | 100 | 100 |
| Sto SEA Sdn. Bhd., Masai/Malaysia | 100 | 100 |
| Sto Australia Pty Ltd, Dandenong South/Australia | 100 | 100 |
| ACN 638 144 082 Pty Ltd, Dandenong South/Australia* | 100 | 100 |
| The Render Warehouse Pty Ltd, Dandenong South/Australia * | 100 | 100 |
| Zebra Architectural Products Pty Ltd, Dandenong South/Australia * | 100 | 100 |
| Stoanz Ltd, Wellington/New Zealand | 100 | - |

* Companies without business operations and without any activity

For changes in 2024, please refer to Section 4. 'Companies consolidated' within the chapter 'General information'.

### Companies accounted for using the equity method

| Capital share in % | 2024 | 2023 |
|---|---|---|
| Inotec GmbH, Waldshut-Tiengen/Germany | 47.5 | 47.5 |

No restrictions apply with regard to the liquidation of assets or the payment of debts for a fully consolidated company within the Group.

20250904058831

## (41) Deutsche Corporate Governance Kodex (German Corporate Governance Code)

On 20 December 2024, the Executive Board of the personally liable partner of Sto SE & Co. KGaA, STO Management SE, and the Supervisory Board of Sto SE & Co. KGaA issued the Declaration of compliance with the recommendations of the Regierungskommission Deutscher Corporate Governance Kodex (Governmental commission German Corporate Governance Code) in the version of 28 April 2022 in accordance with Section 161 of the German Stock Corporation Act (AktG) and, on 21 December 2024, made it available to shareholders on the Internet page www.sto.de in the Section 'Investor Relations' under the category 'Corporate Governance & Compliance' under 'Entsprechenserklärung' (Declaration of compliance).

## (42) Remuneration of the Management body and the Supervisory Board

Due to its legal form, Sto SE & Co. KGaA does not have an Executive Board; business is conducted by the personally liable partner STO Management SE as the sole member of the management body pursuant to Section 287 (2) of the German Stock Corporation Act (AktG). This partner receives the statutory liability remuneration and expense allowance in accordance with Section 6 (3) of the Articles of Association of Sto SE & Co. KGaA. This complies with the statutory provisions contained in the German Stock Corporation Act (AktG). Part of this expense allowance was the remuneration of the members of the Executive Board of STO Management SE in the 2024 financial year. The remuneration is made up of a fixed component and a variable component, which can have a larger share but is capped. The variable element consists of a long-term incentive which is based on the turnover development of the Sto Group and the ROCE Group key figure of the past three financial years in comparison to the target for this period, as well as a short-term incentive for the current financial year that is dependent on the Sto Group's earnings after taxes that were modified in the year under review. No stock options are granted. Current due payments for this totalled EUR 2,902 K (previous year: EUR 4,077 K). The long-term-incentive payments, which are also due in the short term, amounted to EUR 0 K (previous year: EUR 338 K). Current and non-current payments amounted to a total of EUR 2,902 K* (previous year: EUR 4,415 K). Expenses for future benefits after terminating the employment relationship (current service cost) amounted to EUR 278 K (previous year: EUR 409 K). Remunerations for the Executive Board of STO Management SE thus totalled EUR 3,180 K (previous year: EUR 4,824 K). Another part of the expense allowance for STO Management SE was the remuneration of the Supervisory Board of STO Management SE for the 2024 financial year in the amount of EUR 195 K (previous year: EUR 195 K).

As at 31 December 2024, the non-current financial liabilities for the current members of the Executive Board of STO Management SE amounted to EUR 50 K (previous year: EUR 78 K). Furthermore, there are current financial liabilities in the amount of EUR 1,145 K (previous year: EUR 2,534 K). As at 31 December 2024, pension provisions for former members of the Executive Board were valued at EUR 2,079 K (previous year: EUR 2,177 K) due to offsetting against plan assets. Remuneration paid to former members of the Executive Board and the Supervisory Board came to EUR 466 K (previous year: EUR 422 K).

In the 2024 financial year, remunerations of the Supervisory Board of Sto SE & Co. KGaA totalled EUR 647 K (previous year: EUR 648 K). Following the amendment of Section 11 of the Articles of Association of Sto SE & Co. KGaA in 2022, the members of the Supervisory Board will receive an annual fixed remuneration in the amount of EUR 35 K. In addition to the fixed (basic) remuneration, the members of the Supervisory Board receive supplementary remuneration for additional positions. Supplementary remuneration is categorised as follows: EUR 70 K for the chairmanship of the Supervisory Board, EUR 25 K for the deputy chairmanship of the Supervisory Board, EUR 25 K for the chairmanship of the Audit Committee and/or Finance Committee, EUR 10 K for the chairmanship of the Nomination Committee, EUR 10 K for each membership of the Audit Committee and/or the Finance Committee (without having chairmanship of any of these committees), and EUR 5 K for the membership of the Nomination Committee (without having chairmanship of this committee). The members of the Supervisory Board will only receive currently due payments for their respective activities on the committee. Excluded from this are compensation and other payments to the Company's employee representatives pursuant to their employment contracts. No compensation has been granted for personally rendered services outside of committee activities by the members of the Supervisory Board.

* Expense allowance for the total remuneration of the Executive Board of the personally liable partner STO Management SE in accordance with Section 314 (1) No. 6 a) of the German Commercial Code (HGB).

Furthermore, we refer you to the Remuneration report in accordance with Section 162 of the German Stock Corporation Act (AktG), which is published on the website www.sto.de in the Section 'Investor Relations' under the category 'Vergütungsbericht gem. § 162 AktG' (Remuneration report in accordance with Section 162 AktG).

## Members of the Executive Board of STO Management SE in the 2024 financial year (personally liable partner of Sto SE & Co. KGaA):

**Rainer Hüttenberger**
Chief Executive Officer, responsible for Sales Sto Brand International, Business Field Organisation, Corporate Strategic Development, M&A, and the Business unit Industry
Stein am Rhein/Switzerland, Dipl.-Betriebswirt (FH)
Chairperson of the BOD of Sto Corp., Atlanta/USA
Chairperson of the BOD of Shanghai Sto Ltd., Shanghai/China
Chairperson of the BOD of Sto Scandinavia AB, Linköping/Sweden
Chairperson of the BOD of Sto Danmark A/S, Hvidovre/Denmark
Member of the BOD of Sto Finexter OY, Vantaa/Finland
Member of the BOD of Sto SEA Pte. Ltd., Singapore/Singapore

**Michael Keller**
Deputy Chief Executive Officer, responsible for Sales Sto Brand Germany, Distribution, Marketing Communications, Sustainability, and Central Services
Bonndorf/Germany, Ing.-Päd. (TU)
Member of the Administrative Board of Beissier S.A.U., Errenteria/Spain

**Désirée Konrad**
Chief Financial Officer, responsible for Finance, Controlling, Information Technology, Internal Audit, Investor Relations, Legal, and Technical Service
Horb am Neckar/Germany, Bachelor of Arts, Master of Business Administration, Master in Finance
Chairperson of BOD Sto Norge AS, Langhus/Norway

**Jan Nissen**
Chief Technology Officer, responsible for Process Engineering, Innovation, Materials Management, and Logistics (until 31 December 2024)
Bad Dürrheim/Germany, Bachelor of Science
Chairperson of the Advisory Board of Inotec GmbH, Waldshut-Tiengen/Germany
Member of the BOD of Shanghai Sto Ltd., Shanghai/China
Member of the BOD of Sto SEA Pte. Ltd., Singapore/Singapore

**Jost Joseph Bendel**
Deputy Chief Technology Officer
(1 September 2024 to 31 December 2024, since 1 January 2025 Chief Technology Officer), responsible for Process Engineering, Innovation, Materials Management and Logistics
Nuremberg/Germany, Master of Business Administration

## Members of the Supervisory Board of Sto SE & Co. KGaA in the financial year of 2024:

* Employee representatives

**Peter Zürn**
Member of the Supervisory Board since 27 June 2007
Chairperson of the Supervisory Board since 22 June 2022
Chairperson of the Nomination Committee since 22 June 2022
Bretzfeld-Weißlensburg/Germany
Kaufmann (merchant)
Member of the Supervisory Board of STO Management SE, Stühlingen/Germany
Member of the Administrative Board of PERI SE, Weißenhorn/Germany
Member of the Advisory Board of gyde GmbH

**Niels Markmann ***
Member of the Supervisory Board since 24 April 2020
Deputy Chairperson of the Supervisory Board since 22 June 2022
Member of the Finance Committee
Gelsenkirchen/Germany
Chairperson of the General Works Council and Chairperson of the Works Council for the North-West sales region, Sto SE & Co. KGaA

**Maria H. Andersson**
Member of the Supervisory Board since 14 June 2017
Chairperson of the Finance Committee since 14 June 2017
Munich/Germany
Family Officer/Single Family Office, Munich/Germany
Partner at Mackewicz & Partner Investment Advisers, Munich/Germany
Managing Director of GIWA Verwaltungs GmbH, Munich/Germany
Managing Director of GIWA Immobilien GmbH, Munich/Germany
Member of the Supervisory Board of STO Management SE, Stühlingen/Germany
Member of the Advisory Board of Matador Secondary Private Equity AG, Sarnen/Switzerland

**Thade Bredtmann***
Member of the Supervisory Board since 22 June 2022
Member of the Audit Committee
Pfalzgrafenweiler/Germany
Vice President Human Resources Sto Group

**Klaus Dallwitz***
Member of the Supervisory Board since 22 June 2022
Maintal/Germany
Order Acceptance and Route Scheduling Administrator, Sto SE & Co. KGaA

**Catharina van Delden**
Member of the Supervisory Board since 22 June 2022
Munich/Germany
Entrepreneur
Member of the Advisory Board of Süd Deutsche Bank, Munich/Germany

2025090405832

**Petra Hartwig***
Member of the Supervisory Board since 22 June 2022
Bad Zwesten/Germany
Trade Union Secretary of IG BCE, District manager for the district of Kassel/Germany
Member of the Supervisory Board of Takeda GmbH, Singen/Germany
Member of the Supervisory Board B. Braun Melsungen AG, Melsungen/Germany

**Frank Heßler***
Member of the Supervisory Board since 14 June 2017
Mannheim/Germany
Political Trade Union Secretary
Deputy regional manager of IG BCE of the regional district of Baden-Württemberg

**Barbara Meister***
Member of the Supervisory Board since 1 June 2010
Member of the Finance Committee
Member of the Audit Committee
Blumberg/Germany
Chairperson of the Stühlingen Works Council, Sto SE & Co. KGaA

**Dr Renate Neumann-Schäfer**
Member of the Supervisory Board from 14 June 2017 until 19 June 2024
Chairperson of the Audit Committee from 14 June 2017 to 19 June 2024
Überlingen/Germany
Corporate consultant, economist
Member of the Supervisory Board of STO Management SE, Stühlingen/Germany
Deputy Chairperson of the Supervisory Board of Goldhofer Aktiengesellschaft, Memmingen/Germany
Deputy Chairperson of the Foundation Board of the Samaritan Foundation, Nürtingen/Germany
Member of the Supervisory Board of R. Stahl Aktiengesellschaft, Waldenburg/Germany
Member of the Administrative Council of Samariter GmbH, Nürtingen/Germany

**Prof. Dr Klaus Peter Sedlbauer**
Member of the Supervisory Board since 27 June 2007
Member of the Nomination Committee
Rottach-Egern/Germany
Chairholder at the Institute of Building Physics of the Technical University Munich/Germany
Member of the Advisory Board agn Niederberghaus + Partner GmbH, Ibbenbüren/Germany

**Dr Kirsten Stotmeister**
Member of the Supervisory Board since 22 June 2022
Member of the Audit Committee
Member of the Finance Committee
Member of the Nomination Committee
Lauchringen/Germany
Family Office Head of Finances/Treasury
OTS Vermögensverwaltungs GmbH, Stühlingen/Germany
Member of the Supervisory Board of STO Management SE, Stühlingen/Germany

**Rolf Wöhrle**
Member of the Supervisory Board since 19 June 2024
Chairperson of the Audit Committee since 19 June 2024
Bad Dürrheim/Germany
Board Member
Member of the Supervisory Board of STO Management SE, Stühlingen/Germany
Member of the Supervisory Board of Nexus AG, Donaueschingen/Germany

**Members of the Supervisory Board of STO Management SE in the 2024 financial year (personally liable partner of Sto SE & Co. KGaA):**

**Jochen Stotmeister**
Chairperson of the Supervisory Board
Grafenhausen/Germany

**Peter Zürn**
Deputy Chairperson of the Supervisory Board
Bretzfeld-Weißlensburg/Germany

**Maria H. Andersson**
Munich/Germany

**Dr Renate Neumann-Schäfer**
Member of the Supervisory Board until 19 June 2024
Überlingen/Germany

**Gerd Stotmeister**
Allensbach/Germany

**Dr Kirsten Stotmeister**
Lauchringen/Germany

**Rolf Wöhrle**
Member of the Supervisory Board since 19 June 2024
Bad Dürrheim/Germany

Stühlingen/Germany, 7 April 2025

Sto SE & Co. KGaA
represented by STO Management SE
Executive Board

Rainer Hüttenberger
(Chief Executive Officer)

Michael Keller
(Deputy Chief Executive Officer)

Jost Joseph Bendel

Désirée Konrad

# Independent Auditor's Report

To Sto SE & Co. KGaA, Stühlingen

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

### Audit Opinions

We have audited the consolidated financial statements of Sto SE & Co. KGaA, Stühlingen, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Sto SE & Co. KGaA for the financial year from 1 January to 31 December 2024. In accordance with German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the non-financial statement referred to above. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

### Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities 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. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

### Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Impairment of goodwill and non-financial assets
❷ Completeness and valuation of provisions for warranty obligations arising from sales

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue
② Audit approach and findings
③ Reference to further information

20250904058333

Hereinafter we present the key audit matters:

**❶ Impairment of goodwill and non-financial assets**

① In the Company's consolidated financial statements, goodwill totaling EUR 37.5 million is reported under the balance sheet item "Intangible assets." In addition, other intangible assets amounting to EUR 17.1 million, property, plant and equipment amounting to EUR 298.2 million, and right-of-use assets amounting to EUR 100.1 million are reported. The Company tests goodwill for impairment once a year or when there are indications of impairment to determine any potential impairment loss. The other intangible assets, property, plant and equipment, and right-of-use assets (the "non-financial assets") are also subjected to impairment tests when there are indications of impairment. The impairment test is performed at the level of the cash-generating units to which the respective goodwill or non-financial assets are allocated. As part of the impairment test, the carrying amount of the respective cash-generating units, including goodwill or non-financial assets, is compared with the corresponding recoverable amount. The recoverable amount is generally determined based on the value in use. The valuation is normally based on the present value of future cash flows from the respective cash-generating units, which, with three exceptions, correspond to the legal units. Present values are calculated using discounted cash flow models. For this purpose, the Group's 5-year plan forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the respective cash-generating units. As a result of the impairment test, even after taking into account the fair value less costs to sell, there were impairments of goodwill totaling EUR 0.9 million and of non-financial assets totaling EUR 0.7 million.

The outcome of this valuation is dependent to a large extent on the estimates made by the legal representatives with respect to the future cashflows from the respective cash-generating units, the discount rate used, the rate of growth, the fair values less costs of disposal and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

② As part of our audit, with the assistance of internal valuation specialists we assessed, the methodology used for the purposes of performing the impairment test, among other things. We reviewed the segregation between the cash-generating units. After matching the future cash flows used for the calculation against the 5-year plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In addition, we assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the entity value calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. Furthermore, we critically examined the determinable fair values less costs of disposal of the individual assets. Finally, we assessed whether the values thus determined were accurately compared with the corresponding carrying amounts of the respective cash-generating units in order to determine any impairment.

Overall, the valuation parameters and assumptions used by the legal representatives are in line with our expectations and are also within the ranges considered by us to be reasonable

③ The Company's disclosures on impairment testing on goodwill and on non-financial assets are contained in Section 6 "Presentation of the major accounting and valuation policies" subsections "Intangible Assets", "Property, Plant and Equipment", "Leases" and " Estimates and assumptions by Management", in the section " Notes on the consolidated statement of the financial position", subsection (13) "Intangible Assets", subsection (14) "Property, Plant and Equipment", subsection (15) "Rights of Use Assets", and in the section " Notes on the statement of profit and loss ", subsection (8) " Depreciation/amortisation " of the Notes to the Consolidated Financial Statements.

**❷ Completeness and valuation of provisions for warranty obligations arising from sales**

① The Company's consolidated financial statements include, among other items, provisions for warranty obligations from sales totaling € EUR 42.1 million under the balance sheet items "Non-current other provisions" and "Current other provisions." These obligations primarily relate to warranty obligations from the sale of products.

A provision for warranty obligations is recognized if an obligation has arisen legally or economically by the balance sheet date and if, in addition, a claim under the obligation is more likely than not to occur. Warranty obligations are calculated on the basis of losses to date, estimated future losses and on the basis of past experience. In addition, assumptions must be made about the nature and extent of future warranty claims. These assumptions are based on qualified estimates, some of which are taken into account by external experts. This applies particularly to the three most significant warranty cases, for which a total amount of EUR 26.2 million is included in the reported warranty provisions. This is offset by insurance reimbursement claims totalling EUR 1.6 million for one of the most significant warranty cases included in "other current assets".

We consider this matter to be of particular significance in the context of our audit since the recognition and valuation of this item – which is material in terms of amount – is to a large extent based on estimates and assumptions made by the Company's legal representatives.

② With the knowledge that estimated values result in an increased risk of accounting misstatements and that the valuation decisions made by the legal representatives have a direct and significant effect on consolidated net profit/loss, we assessed the methods applied by the Company and the assumptions made by the legal representatives as well as the appropriateness of the carrying amounts, including by comparing these figures with historical data and using the measurement bases presented to us. We evaluated the design of the groupwide controls established by the Company for the purpose of calculating and recording warranty provisions. On that basis, we carried out additional analytical audit procedures and tests of details relating to the completeness and valuation of the warranty provisions. In this regard, we have performed tests of details in relation to the most significant warranty claims included in the warranty provisions. Among other things, we also reconciled the data on which the calculation of the settlement amount was based with the underlying documentation. Therewith, we assessed the results of the Company's calculations of the amount of the reserves with reference to the applicable legal requirements.

We were able to satisfy ourselves that the estimates and assumptions of the legal representatives on the basis of which a warranty obligation provision arising in connection with the sales business were recognised and measured were sufficiently documented and substantiated.

③ The Company's disclosures on the provisions for warranty obligations from the sales business are included in section 6 "Presentation of the major accounting and valuation policies", subsections "Other provisions" and "Estimates and assumptions by Management", and in the section "Notes on the consolidated statement of the financial position", subsection 25 "Other non-current and current provisions" of the notes to the consolidated financial statements.

**Other Information**

The legal representatives are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the group sustainability statement included in the section "Sustainability Statement" of the group management report, which is the subject of a separate limited assurance engagement to comply with Sections 289b to 289e of the German Commercial Code (HGB) and Sections 315b to 315c of the German Commercial Code (HGB)
- the section "Effectiveness Statement Internal Control System and Risk Management System" of the group management report

The other information comprises further

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

**Responsibilities of the Legal Representatives and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report**

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the legal representatives are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems)

as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.
- Conclude on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any

significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## OTHER LEGAL AND REGULATORY REQUIREMENTS

### Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

**Assurance Opinion**
We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file STO_SE_KA+KLB_ESEF-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

**Basis for the Assurance Opinion**
We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

**Responsibilities of the Legal Representatives and the Supervisory Board for the ESEF Documents**
The legal representatives of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the legal representatives of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

**Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents**
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents

20250904058335

meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

**Further Information pursuant to Article 10 of the EU Audit Regulation**

We were elected as group auditor by the annual general meeting on 19 June 2024. We were engaged by the supervisory board on 18 December 2024. We have been the group auditor of the Sto SE & Co. KGaA, Stühlingen, without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

**REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR'S REPORT**

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

**GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT**

The German Public Auditor responsible for the engagement is Kai Mauden.

Stuttgart, 16 April 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| sgd. Kai Mauden | sgd. Marco Fortenbacher |
| Wirtschaftsprüfer | Wirtschaftsprüfer |
| [German public auditor] | [German public auditor] |

# Independent Auditor's Limited Assurance Report

## Assurance report of the independent german public auditor on a limited assurance engagement in relation to the group sustainability statement

To Sto SE & Co. KGaA, Stühlingen

**Assurance Conclusion**
We have conducted a limited assurance engagement on the group sustainability statement of Sto SE & Co. KGaA, Stühlingen, (hereinafter the „Company") included in section "Sustainability Report" of the group management report for the financial year from 1 January to 31 December 2024 (hereinafter the "Group Sustainability Statement"). The Group Sustainability Statement has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 315b to 315c HGB [Handelsgesetzbuch: German Commercial Code] to prepare a group non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a group non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Statement (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "IRO-1 Description of the process for the identificiation and assessment of material impacts, risks and opportunities" of the Group Sustainability Statement, or
- that the disclosures set out in section "EX-Taxonomie-Reporting of the Sto-Group" of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

**Basis for the Assurance Conclusion**
We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures 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 the "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement" section.

We are independent of the Company 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 complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

**Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Statement**
The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, 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 Group Sustainability Statement.

20250904058 36

**Inherent Limitations in the Preparation of the Group Sustainability Statement**

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms in section "BP-2 Disclosures in relation to specific circumstances" of the Group Sustainability Statement. The executive directors are responsible for the defensibility of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

**German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement**

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 Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

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 to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Statement.
- 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, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.
- 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 sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Statement, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.
- performed site visits.
- considered the presentation of the information in the Group Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

**Restriction of Use**
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. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Stuttgart, 16 April 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Kai Mauden
Wirtschaftsprüfer
[German public auditor]

sgd. Marco Fortenbacher
Wirtschaftsprüfer
[German public auditor]

# Responsibility statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Stühlingen/Germany, 7 April 2025

Sto SE & Co. KGaA
represented by STO Management SE
Executive Board

Rainer Hüttenberger
(Chief Executive Officer)

Michael Keller
(Deputy Chief Executive Officer)

Jost Joseph Bendel

Désirée Konrad

# Financial calendar 2025

**Electronic publication of the 2024 annual financial statements**
30 April 2025

**Interim report within the first half of 2025**
8 May 2025

**Annual General Meeting 2025**
18 June 2025

**Report on the first half of 2025**
27 August 2025

**Interim report within the second half of 2025**
19 November 2025

**Electronic publication of the 2025 annual financial statements**
30 April 2026

The annual financial statement of Sto SE & Co. KGaA (German Commercial Code, HGB) is available in electronic form at the website of the companies register www.unternehmensregister.de. In addition, it is published on the website www.sto.de or may be requested in writing by post:

Sto SE & Co. KGaA
F-S department
Ehrenbachstraße 1
D-79780 Stühlingen

This report contains forward-looking statements which are based on Management's current assumptions and estimates concerning future developments. Such statements are subject to risks and uncertainties which Sto cannot control or estimate precisely. If any uncertainty arises or the assumptions on which these statements are based prove to be incorrect, actual results may differ significantly from these statements. Sto is under no obligation to update forward-looking statements to incorporate any events which come to light after the publication of this report.

## Publisher's details

**Publisher**
Sto SE & Co. KGaA, Stühlingen/Germany

**Concept and design**
Fink GmbH – Druck und Verlag

**Text**
Redaktionsbüro tik GmbH

**Printing**
Fink GmbH – Druck und Verlag

20250904058 38

## Headquarters

**Sto SE & Co. KGaA**
Ehrenbachstraße 1
DE-79780 Stühlingen
Telephone+49 7744 57-0
infoservice@sto.com
www.sto.com

## Branches/SalesCentres/ Distribution partners

Addresses and information available at:
Telephone +49 7744 57-1010

## Subsidiaries

### Germany

**StoCretec GmbH**
Gutenbergstr. 6
DE-65830 Kriftel
Telephone +49 6192 401104
info.stocretec.de@sto.com
www.stocretec.de

**GEPADI Fliesen GmbH**
Kasseler Straße 41
DE-35683 Dillenburg
Telephone +49 2771 3 91-0
home+style@gepadi.de
www.gepadi.de

**JONAS Farben GmbH**
Dieselstraße 42-44
DE-42489 Wülfrath
Telephone +49 2058 7 89-0
kontakt@jonas-farben.de
www.jonas-farben.de

**Liaver GmbH & Co. KG**
Gewerbepark am Wald 17
DE-98693 Ilmenau
Tel.: +49 3677 8629-0
info@liaver.com
www.liaver.com

**Ströher GmbH**
Ströherstraße 2-10
DE-35683 Dillenburg
Telephone +49 2771 3 91-0
info@stroeher.de
www.stroeher.de

**SÜDWEST Lacke + Farben GmbH & Co. KG**
Iggelheimer Str. 13
DE-67459 Böhl-Iggelheim
Tel.: +49 6324 709-0
info@suedwest.de
www.suedwest.de

**Verotec GmbH**
Hanns-Martin-Schleyer-Straße 1
DE-89415 Lauingen/Donau
Tel.: +49 9072 990-0
infoservice.verotec@sto.com
www.verotec.de

**VIACOR Polymer GmbH**
Graf-Bentzel-Straße 78
72108 Rottenburg am Neckar
Tel.: +49 7472 94999-0
info@viacor.de
www.viacor.de

## Affiliated companies Germany

**Inotec GmbH**
Daimler Straße 9-11
DE-79761 Waldshut-Tiengen
Tel.: +49 7741 6805-0
infoservice@inotec-gmbh.com
www.inotec-gmbh.com

## International subsidiaries

Australia
**Sto Australia Pty Ltd**
96 Prosperity way
AUS-3175 Dandenong South
Telephone +61 03 97684921
sales@stoaustralia.com.au
www.stoaustralia.com.a

Belgium
**Sto NV/SA**
Z.5 Mollem 43
BE-1730 Asse
Telephone +32 2 4530110
info.be@sto.com
www.sto.be

Brazil
**Sto Brasil Revestimentos e Fachadas Ltda.**
Rua Flor de Noiva, 886 Quinta da Boa Vista
BR-08597 630 Itaquaquecetuba, Sao Paulo
Telephone +55 11 2145 0011
sto@stobrasil.com.br
www.argamont.com.br

Chile
**Industrial y Comercial Sto Chile Ltda.**
José Miguel Infante Sur 8456
Parque Industrial El Montijo,
CL-Renca-Santiago
Telephone +56 2 2386 2569
info@stochile.com
www.stochile.com

China
**Shanghai Sto Ltd.**
288 Qingda Road
Pudong
CN-201201 Shanghai
Telephone +86 2158972295
www.sto.com.cn

Denmark
**Sto Danmark A/S**
Avedøreholmen 48
DK-2650 Hvidovre
Telephone +45 70270143
kundekontakt@sto.com
www.stodanmark.dk

Finland
**Sto Finexter OY**
Suokallionkuja 8 G
FI-01740 Vantaa
Telephone +358 201 104 728
asiakaspalvelu@sto.com
www.sto.fi

France
**Beissier S.A.S.**
Quartier de la Gare
FR-77760 La Chapelle la Reine
Telephone +33 1 60396110
formation@beissier.fr
www.beissier.fr

France
**Sto S.A.S.**
224, rue Michel Carré
FR-95872 Bezons Cedex
Telephone +33 1 34345700
mailsto.fr@sto.com
www.sto.fr

Italien
**Sto Italia Srl**
Via G. di Vittorio, 1/3
Zona Ind. le Terrafino
IT-50053 Empoli (FI)
Telephone +39 0571 94701
info.it@sto.com
www.stoitalia.it

Canada
**Sto Canada Ltd.**
1821 Albion Rd. #1
Etobicoke
CA-ON M9W 5w8
Telephone +1 800 221-2397
marketingsupport@stocorp.com
www.stocorp.ca

Canada
**Skyrise Prefab Building Solutions Inc.**
896 Brock Rd. #1
Pickering
CA-ON L1W 1Z9
Telephone +1 289 275 4419
info@skyriseprefab.com
www.skyriseprefab.com

Columbia
**Sto Colombia S.A.S.**
Cra. 70 #19-52
CO-Bogota D.C.
Telephone +57 1 7451280
info@stocolombia.com
www.stocolombia.com

Lithuania
**UAB TECH-COAT**
Vilniaus pl. 4
LT-91108 Klaipėda
Telephone +370 685 52104
www.techcoat.lt

Luxembourg
**Sto S.à r.l.**
31, Op der Heckmill
L-6783 Grevenmacher
Telephone +352 691 711 156
sto.lux.fr@sto.com
www.sto.com

Malaysia
**Sto SEA Sdn. Bhd.**
No. 8, Jalan Bukit 3
Kawasan MIEL Bandar Seri Alam
81750 Masai Johor
Telephone +603 8070 8133
www.sto-sea.com

Mexico
**Sto Mexico, S. de R.L. de C.V.**
Prol. Reforma #51-803
Paseo de las Lomas. Santa Fe,
Álvaro Obregón. Mexico, D.F. 01330
Telephone +52 55 6384099
info@stomexico.com

New Zealand
**Stoanz Ltd**
72 Abel Smith Street
Ground Level
Wellington
Telephone +64 480 177 94
www.sto.co.nz

Netherlands
**Sto Isoned BV**
Lingewei 107
NL-4004 LH Tiel
Telephone +31 344 620666
info.nl@sto.com
www.sto.nl

Norway
**Sto Norge AS**
Snipetjernveien 4
NO-1405 Langhus
Telephone +47 6681 3500
info.no@sto.com
www.stonorge.no

Austria
**Sto Ges.m.b.H.**
Richtstr. 47
AT-9500 Villach
Tel.: +43 4242 33133-0
info@sto.at
www.sto.at

Poland
**Sto Sp. z o.o.**
ul. Zabraniecka 15
PL-03-872 Warszawa
Telephone +48 22 5116102
info.pl@sto.com
www.sto.pl

Switzerland
**Sto AG**
Südstrasse 14
CH-8172 Niederglatt/ZH
Tel.: +41 44 8515-353
sto.ch@sto.com
www.stoag.ch

Singapore
**Sto SEA Pte. Ltd.**
159 Sin Ming Road, #06-02
Amtech Building
SG-Singapore 575625
Telephone +65 64 533080
info.sg@sto.com
www.sto-sea.com

Sweden
**Sto Scandinavia AB**
Gesällgatan 6
SE-582 77 Linköping
Telephone +46 13 377100
kundkontakt@sto.com
www.sto.se

Slovak Republic
**Sto Slovensko s.r.o.**
Pribylinská 2
SK-831 04 Bratislava
Telephone +421 244 648 142
info.sk@sto.com
www.sto.sk

Spain
**Beissier S.A.U.**
Txirrita Maleo 14
ES-20100 Errenteria
Telephone +34 902 100 250
beissier@beissier.es
www.beissier.es

Spain
**Sto SDF Ibérica S.L.U.**
Riera del Fonollar 13
ES-08830 Sant Boi de Llobregat (Barcelona)
Telephone +34 93 7415 972
info.es@sto.com
www.sto.es

Czech Republic
**Sto s.r.o.**
Čestlice 271
CZ-251 70 Dobřejovice
Telephone +420 225 996 311
info.cz@sto.com
www.sto.cz

Czech Republic
**STOMIX spol. s r.o.**
Skorošice 197
CZ-790 65 Skorošice
Telephone +420 584 484 111
info@stomix.cz
www.stomix.cz

Türkiye
**Sto Yapı Sistemleri Sanayi ve Ticaret A.Ş.**
Atatürk Cad. Semazen Sok. No:8
TR-34815 Beykoz, Istanbul
Telephone +90 216 330 51 00
info.tr@sto.com
www.sto.com.tr

Hungary
**Sto Építöanyag Kft.**
Jedlik Ányos u. 17
HU-2330 Dunaharaszti
Telephone +36 24 510210
info.hu@sto.com
www.sto.hu

USA
**Sto Corp.**
3800 Camp Creek Parkway
Building 1400, Suite 120
Atlanta, Georgia 30331
Telephone +1 800 221-2397
marketingsupport@stocorp.com
www.stocorp.com

## Distribution partners - international

Addresses and information available at:
Tel.: +49 7744 57-1131

**Headquarters**

**Sto SE & Co. KGaA**
Ehrenbachstraße
D-79780 Stühlingen
Telephone +49 7744 57-0
Fax +49 7744 57-2178

**Info service**
Telephone +49 7744 57-1010
Fax +49 7744 57-2010
infoservice@sto.com
www.sto.de

Rev. no. 01/05.25