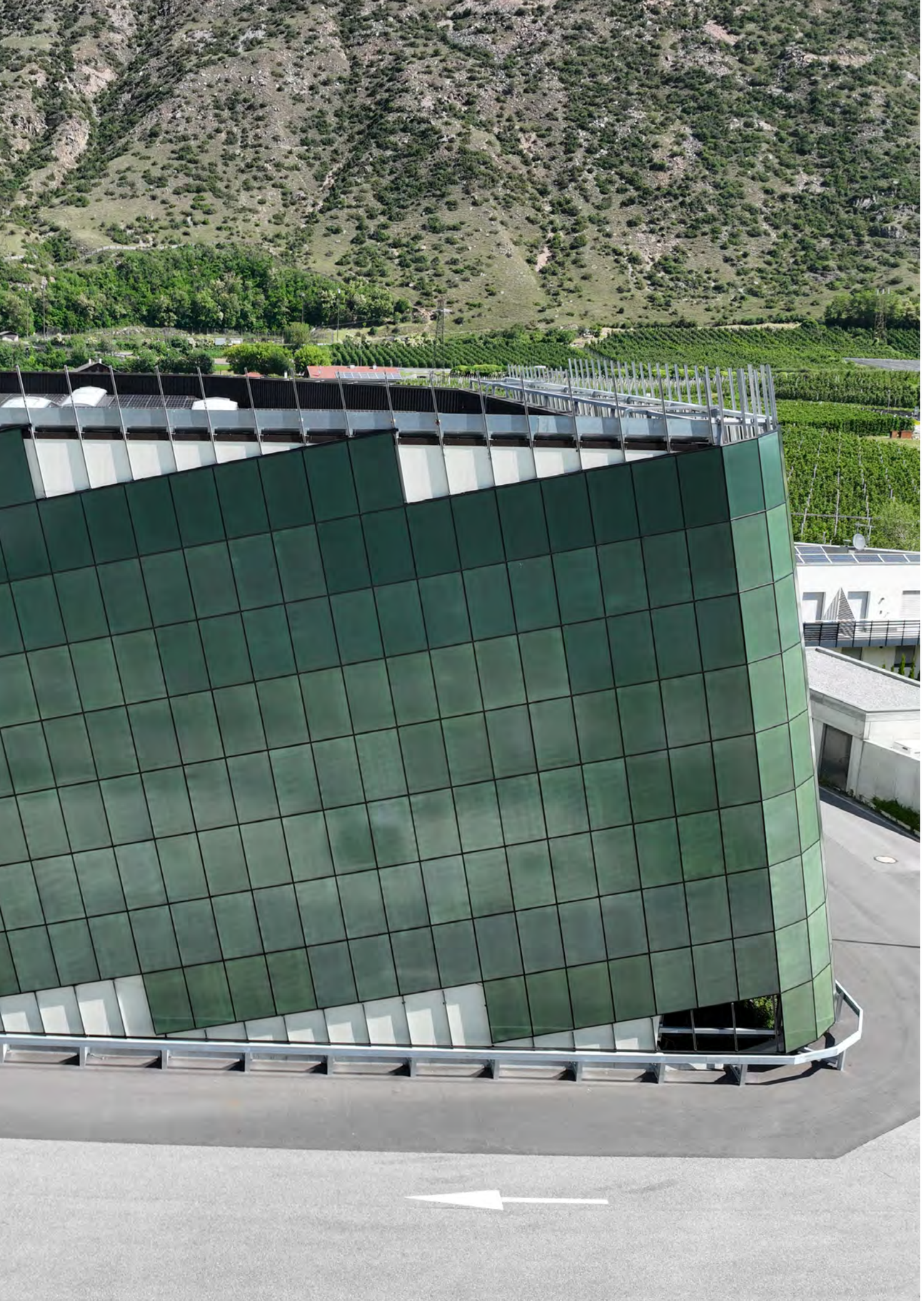
SUSTAINABILITY REPORT 2025

Connecting Strength



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Dear Readers,

For us as a company in the renewable energy sector, sustainability is not just a strategic choice – it is our core identity. Today, renewable energy has evolved beyond an environmental necessity; it is a fundamental pillar of our energy independence and security. By driving the transition to clean energy, we are not only protecting our climate but also ensuring a resilient and sovereign future for those who follow.

True change, however, cannot be achieved in isolation. Our motto, "Connecting Strength," reflects our core belief that together, we can make a profound difference. This is why we place the utmost importance on driving sustainability as a collective effort. Every single one of us – from our dedicated employees to our valued supply partners – shares the responsibility to make the world a better place and to safeguard our planet for the well-being of future generations.

Our commitment is reflected in our products. We focus on systematically reducing emissions through close collaboration with our suppliers. By calculating the Product Carbon Footprint (PCF) for our aluminum components, we have established a data-driven foundation for authentic decarbonization.

We achieve these goals through deeply rooted partnerships. A resilient and ethical supply chain forms the backbone of our mission.

We deliberately focus on regional sourcing, with 85% of our suppliers based within the EU; we also view this as a corporate responsibility to secure production and prosperity within the Europe. This strategy drastically reduces transport-related emissions and strengthens regional economic cycles. Our selection process remains rigorous: the vast majority of our partners are already ISO-certified and utilize renewable energy.

In our Code of Conduct, we have defined our values and standards, and we expect our business partners to adhere to them as well.

Last but most importantly: our people. While our products and partners drive our environmental impact, our employees deliver the innovations that are critical to our success. A diverse team from over 40 nations contributes to our shared success with various perspectives. Our work environment fosters a deep sense of personal responsibility, empowering every member of our team to take true ownership of our sustainability goals and drive the meaningful change our planet needs.

This report documents our progress and our steadfast commitment to preserving our planet. Thank you for being part of this journey and for connecting your strength with ours.

Sincerely,

K. David W. Haag

1 | Introduction

1.1 | Company Profile

K2 Systems GmbH is a globally leading company in the development, manufacturing, and distribution of photovoltaic mounting systems. Founded in 2004 with headquarters in Renningen, Germany, the company is committed to accelerating the global energy transition through innovative, secure, and durable mounting solutions. At the core of its business operations is the development of user-friendly, precisely engineered mounting systems with a clear focus on customer requirements.

The portfolio includes high-quality systems for pitched and flat roofs, ground-mounted installations, facades, and carports. All solutions are based on the normative principles of construction products and their associated requirements for durability and safety. Driven by a customer-centric approach, ease of installation is a central priority. To increase resource efficiency, K2 Systems provides advanced, intuitive digital tools such as the planning software K2 Base, which enables precise project planning and helps to reduce material usage and waste.

With a clear commitment to sustainability, the company develops its products in Germany and manufactures predominantly in Europe to ensure short and efficient supply chains. Photovoltaic systems using K2 mounting structures are in use in over 130 countries, enabling the daily generation of around 126 GWh of clean electricity. Through close cooperation with international partners, K2 Systems is actively advancing a future powered by solar energy worldwide.

1.2 | Reporting Basis

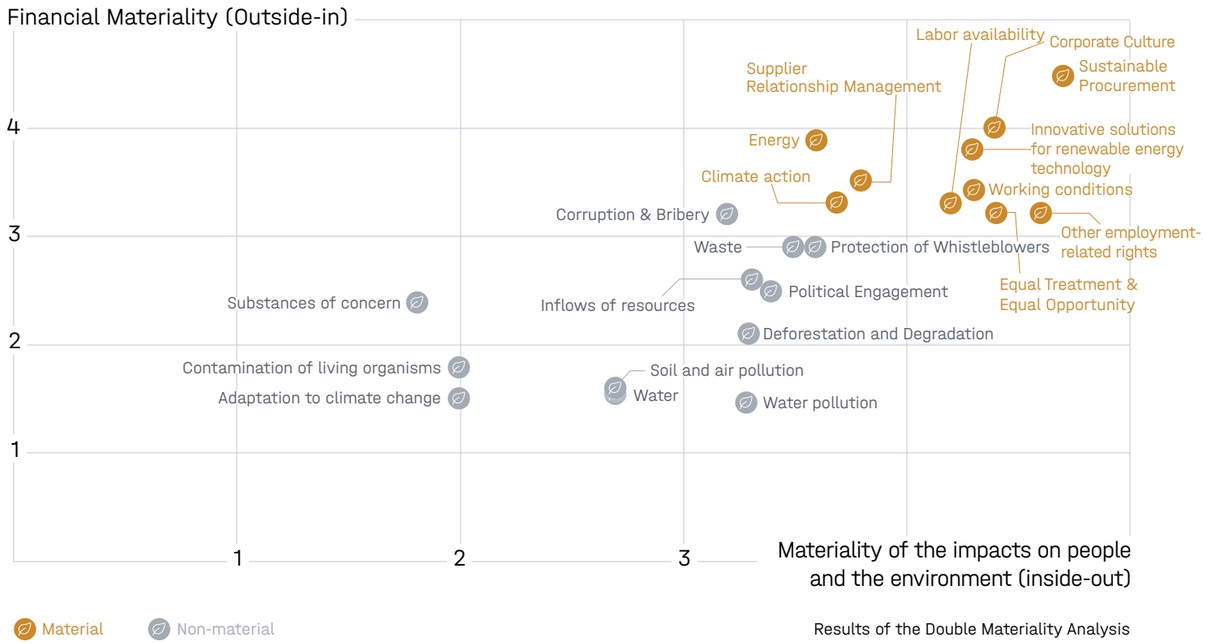
For the 2025 fiscal year, K2 Systems GmbH is publishing its inaugural voluntary sustainability report, which is oriented on the Basic Module of the Voluntary Sustainability Reporting Standard for SMEs (VSME). This standard provides a structured and reliable framework for the transparent and verifiable presentation of various sustainability initiatives. The report focuses on the core activities of K2 Systems GmbH, detailing the company's commitment to corporate responsibility and its contribution to sustainable development.

Legal Structure	Limited Liability Company
NACE Code	C25.11
Total Assets (2024)	216 Mil. €
Revenues (2024)	385 Mil. €
Number of employees (headcount)	318
Country of principal business operations and location of significant assets	Germany
Geolocation of locations	Headquarters Renningen: 48.77° N, 8.90° E
	Warehouse Weil der Stadt: 48.78° N, 8.87° E
	Warehouse Renningen: 48.77° N, 8.93° E
	Location Berlin: 52.31° N; 13.26° E

Table 1: General Company Information

As part of the Corporate Sustainability Reporting Directive (CSRD), a Double Materiality Assessment (DMA) was conducted to systematically identify the sustainability topics that are relevant to both the company and its stakeholders.

As a result of the EU Omnibus procedure, which adjusted the scope of the CSRD, the statutory reporting obligation for K2 Systems was eliminated. Nevertheless, the results of the materiality assessment, as shown the chart below, serve as decisive influencing factors for the thematic orientation and prioritization of this report.



Results of the Double Materiality Analysis

2 | Practices, Policies, and Future Initiatives

for the Transition to a More Sustainable Economy

As a company in the renewable energy sector, sustainability is a core component of the corporate policy and forms the foundation for long-term development. The corporate strategy is aligned with the three pillars of sustainability – Environment, Social, and Governance (ESG) – and is firmly anchored in the Code of Conduct.

Together with applicable laws and regulations, this code forms a binding framework for all employees and establishes the foundation for fulfilling the responsibility towards the environment, society, and the economy. The same standard for responsible conduct is expected from all business partners.

To ensure that the sustainability strategy remains future-proof against emerging challenges, initiatives are continuously developed further. Progress is monitored through defined targets, Key Performace Indicators and operational data to track and improve the effectiveness of the implemented measures.

The following table provides an overview of key sustainability topics and their assessment within the framework of the Double Materiality Assessment. It also indicates whether sustainability policies or practices already exist for the respective topics, whether these are publicly accessible, and whether targets have been defined.

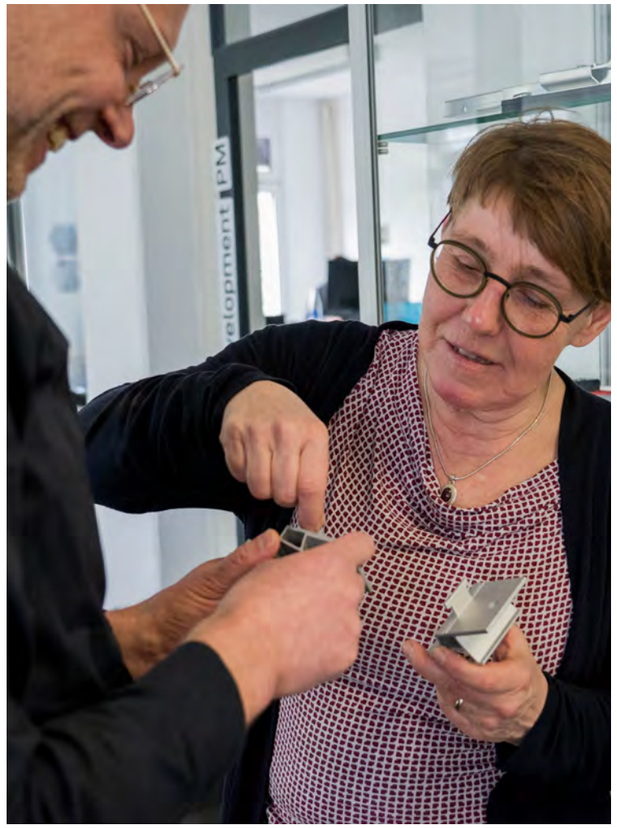
Topic	Findings of the Double Materiality Analysis for K2 Systems	Existing Sustainability Policies and Practices	Public Availability of Sustainability Policies and Practices	Existing Targets and Objectives
Climate Change	Material	●	●	●
Pollution	Non-material	●	●	●
Water Resources	Non-material	●	●	O*
Biodiversity and Ecosystems	Non-material	O*	O*	O*
Circular Economy	Non-material	●	●	●
Direct Workforce	Material	●	●	●
Workers in the Value Chain	Non-material	●	●	O*
Affected Communities	Non-material	O*	O*	O*
Consumers and End-users	Non-material	●	●	O*
Governance	Material	●	●	●

Table 2: Overview of Sustainability Topics: Materiality for K2 Systems, Policies, and Objectives
* Not material for K2 Systems according to the DMA

A further step in the advancement of our sustainability performance is the regular assessment by EcoVadis[1]. This external analysis helps to transparently classify and targetedly develop our sustainability performance in the areas of environment, labor and human rights, ethics, and sustainable procurement.

The following sections describe the principles, measures, and future initiatives in the areas of environment, social, and corporate governance, as well as product responsibility and sustainable procurement.
In addition, the report presents the "Eco Warriors Battle" - an internal corporate competition designed to foster and embed sustainability within the organizational culture.

[1] EcoVadis is an international, independent platform for corporate sustainability ratings.



Environment

In the environmental sector, rigorous principles govern climate protection, resource efficiency, and strict regulatory compliance. These are not merely guidelines; they are firmly embedded in every decision-making process and daily operations.

A central component of this commitment is the active contribution to the global energy transition. Through the development of innovative mounting systems, the expansion of renewable energies is not only supported but actively shaped. To further drive a more sustainable future, targeted measures and initiatives are implemented – for example, to reduce location-based emissions.

Further details on environmental topics are presented in Chapter 3.

Social

The primary objective is to cultivate an appreciative and safe working environment where all employees operate under respectful and fair conditions. This commitment is grounded in a deep sense of social responsibility and unwavering respect for human rights. Equal opportunity, fair treatment, and equitable working conditions are integrated into the core of corporate practice.

To review and track social targets, relevant indicators are regularly recorded and analyzed.

Key pillars of this social commitment include:

- **Diversity and Inclusion:** The promotion of a diverse team – spanning various age groups, nationalities, and professional backgrounds – is a priority. This diversity drives a dynamic work culture, fostering innovation and varied perspectives essential for growth. More information can be found in Chapter 4.1.
- **Safety and Health:** Occupational health and safety measures are consistently implemented to ensure a safe working environment, as outlined in Chapter 4.2.
- **Growth and Development:** Personal and professional development is fostered through targeted training and qualification programs. Strengthening employee performance along with job satisfaction remain top priorities. See Chapter 4.3 for more detailed information.

Corporate Governance

Corporate governance follows a clear strategy for sustainable and responsible action, as described in Chapter 5. Strict compliance with all relevant regulations ensures that every business decision is based on a solid ethical foundation. The fundamental principles of integrity and compliant behavior are firmly anchored in the Code of Conduct in alignment with fundamental human rights.

In addition, regular training sessions on legal and organizational topics are conducted, with a particular focus on compliance and data protection. Internal policies and processes are continuously reviewed to identify and minimize risks at an early stage.

The Code of Conduct as well as accompanying training and awareness measures are updated as needed to meet new requirements. This approach ensures the early detection of risks and promotes the improvement of organizational resilience.

Products and Sustainable Procurement

The strategic goal is to systematically reduce product emissions through close cooperation with suppliers. Initial calculations of the Product Carbon Footprint (PCF) for aluminum products have already been conducted and form the data-driven foundation for decarbonization. Further information can be found in Chapter 3.2.

To conserve resources, product development focuses on optimized material usage and product durability. Consequently, a warranty of up to 20 years[2] is granted on all components in accordance with the warranty conditions. Due to the high recyclability of aluminum, the primary material used in K2 products, significant advantages arise: under suitable conditions, aluminum can be reused multiple times without losing its essential properties.

In the area of sustainable procurement, the goal is to continuously expand the share of suppliers who meet strict sustainability criteria. This progress is measured through an annual supplier assessment that specifically evaluates their sustainability performance. These results serve as a basis for the continuous development of suppliers. Central to the sustainability strategy are long-term, trust-based partnerships. At the same time, the focus is placed on European procurement to minimize transport emissions and strengthen local economic cycles.

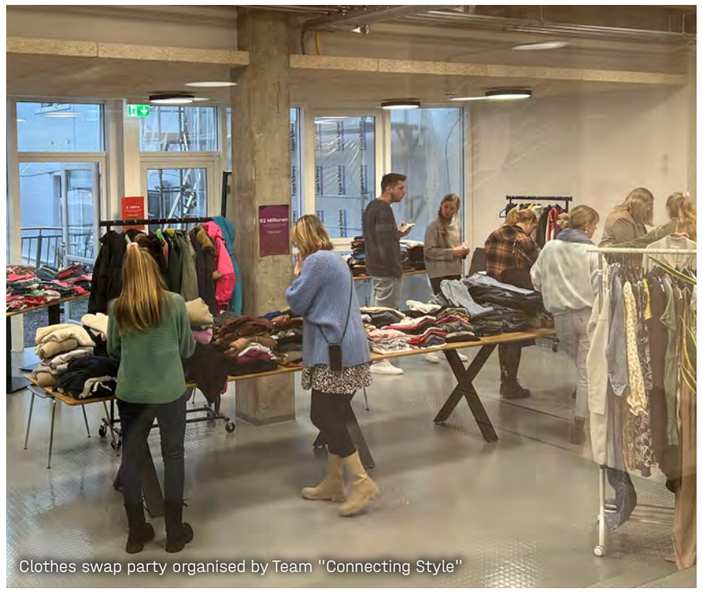
Further information is contained in Chapter 6.

[2] Warranty extension: From 12 to 20 years when planning in K2 Base, with structural analysis and documentation in the K2 DocuApp

Clothes swap party organised by Team "Connecting Style"

Bottle cap collection by Team "K2 Crowns"

Donating blood with the "Life Savers" Team


Clothes swap party organised by Team "Connecting Style"

Stem cell and organ donation campaign by Team "The Lifesavers"

Eco Warriors Battle

To empower employees and drive tangible change, the company launched the K2 Eco Warriors Battle in 2024. This annual, internal competition serves as a catalyst for self-initiative and provides employees with a structured framework to firmly integrate sustainable practices into their daily work routine and the company culture.

Through interdisciplinary collaboration, teams design and execute projects that deliver ecological or social impact. The annual awards ceremony, a centerpiece of the company's year-end celebration, honors the most impactful projects with a sustainable prize—such as subscriptions for regional organic produce—directly reinforcing the link between professional achievement and sustainable living. Highlights from first competitions include initiatives such as:

Team **„K2 Crowns“**: Established a collection system for bottle caps across headquarters and corporate events. The collected materials are passed on to the ''Kronenkinder'' recycling project, with all proceeds going directly to the Tübingen Association for the Support of Children with Cancer (Förderverein für krebskranke Kinder Tübingen e.V.).

Team **„Connecting Style“**: Targeted the footprint of fast fashion by hosting an internal clothes swap. Remaining items were donated to local charities, extending their lifecycle and supporting the local community.

Team **„The Lifesavers“**: nitiated multiple group visits to blood donation drives and raised awareness about organ and stem cell donation, addressing social healthcare needs.

Built on the conviction that change begins with small steps, the K2 Eco Warriors Battle demonstrates how creativity and personal responsibility can transform individual contributions into a powerful collective movement for a sustainable future

Corporate Giving

In 2025, K2 Systems continued its social commitment through various targeted donation and sponsorship initiatives. To promote educational equity, the company donated used digital devices and notebooks, enabling children and young people from low-income backgrounds access digital learning opportunities.

Furthermore, K2 Systems provided vocational schools with product samples for practical educational purposes. Supporting the local community also remained a core focus: regular donations were made to charitable organizations, local sports clubs were sponsored, and charity events were sponsored. These initiatives are an integral part of the corporate identity and reflect the commitment to strengthening regional social cohesion.

3 | Environment

The commitment to environmental and climate protection is based on clear principles such as resource conservation and compliance with all relevant environmental regulations. By engineering innovative mounting systems, the company delivers a decisive contribution to the global energy transition while continuously advancing the sustainability of its products, sites, and services. Worldwide, photovoltaic systems equipped with K2 mounting systems generate 126 GWh of renewable energy daily – an output that roughly corresponds to the capacity of 12 coal-fired power plants[3].

The following chapters provide an overview of initiatives and key performance indicators regarding energy efficiency, greenhouse gas emissions, water consumption, resource utilization, the circular economy, and waste management.

3.1 | Energy and Greenhouse Gas Emissions

Energy

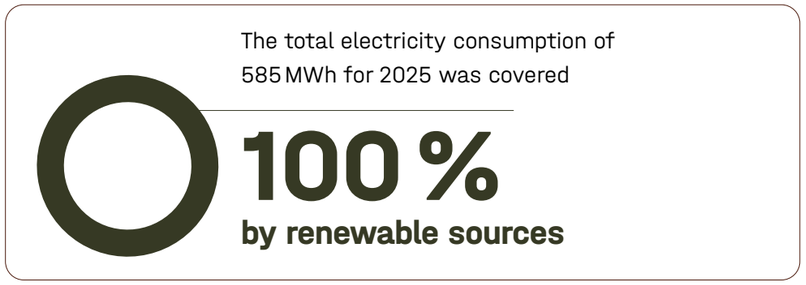
Operational energy consumption occurs primarily at the headquarters in Renningen, which features a fully electrified intralogistics system, an IT infrastructure, as well as modern office and warehouse spaces. Energy data is systematically recorded and analyzed to identify savings potential, further develop efficiency measures, and continuously reduce the environmental impact of business operations.

To reduce energy consumption, the company relies on a combination of technical optimization and behavioral initiatives. This includes for example the usage of high-efficiency lighting and equipment, complemented by ongoing efforts to foster a culture of conscious energy use.

A central component of our energy and supply strategy is the use of renewable energy sources to make an active contribution to reducing our carbon footprint in ongoing business operations.

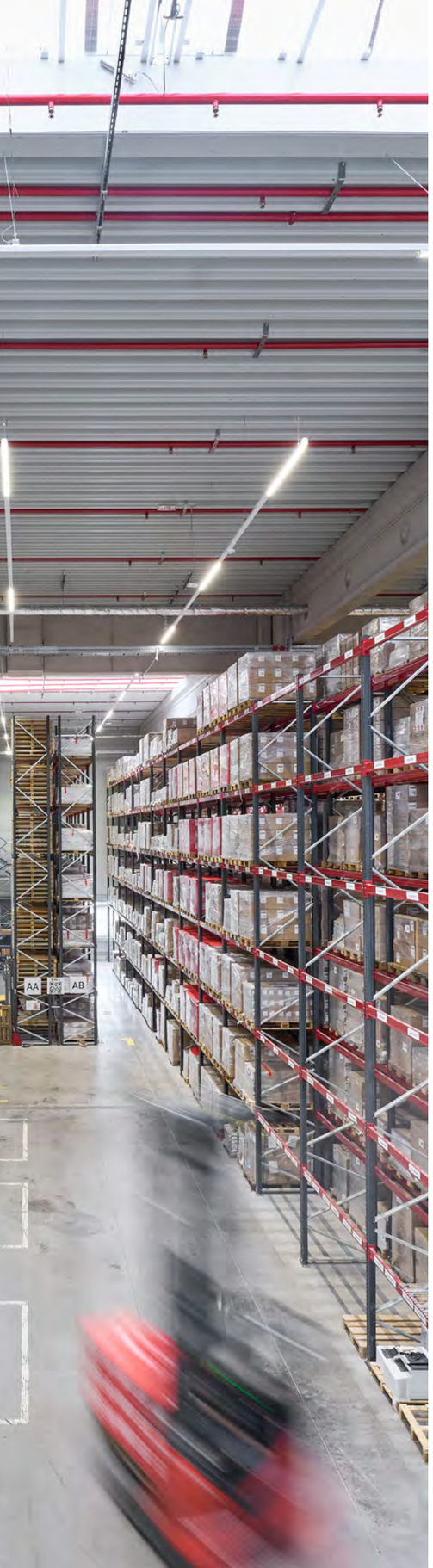
- **Self-generation:** The headquarters serves as a prime example of the company's own technology, utilizing high-performance photovoltaic systems on both the roof and the facade. With a total capacity of 736 kWp (663 kWp roof; 73 kWp facade), these systems represent a direct contribution to the energy transition.
- **Green electricity procurement:** Additional electricity requirements are covered exclusively by certified green electricity.

The organization’s total electricity consumption of 585 MWh for the reporting year was fully powered by 100 % renewable electricity.



The headquarters relies on renewable wood pellets for sustainable heating, while other sites are powered by heating oil, natural gas, and eco-gas. In 2025, the total heating energy consumption amounted to 435 MWh, of which more than half (235 MWh) came from renewable sources. As a result of these targeted measures, the share of renewable energies in total electricity and heating consumption reached approximately 80 %.

[3] Assumptions: A 600-MW coal-fired power plant produces approximately 10.08 GWh/day at 70 % capacity; Calculation: 24 h × 600 MW = 14.4 GWh/day; 0.7 × 14.4 GWh/day = 10.08 GWh/day); 126 GWh/day ÷ 10.08 GWh/day = approx. 12 coal-fired power plants



The energy data is shown in the table below:

	Consumption OF RENEWABLE ENERGY	Consumption OF NON-RENEWABLE ENERGY	
Electricity	585 MWh	0 MWh	585 MWh
Fuels	235 MWh	200 MWh	435 MWh
Total	**820 MWh**	**200 MWh**	**1020 MWh**

Table 3: Total energy consumption by energy source and origin

In 2024, the new building of the headquarters in Renningen received a Gold. Certificate from the German Sustainable Building Council (DGNB). This renowned certification is independent proof of high sustainability quality, including energy-efficient design and resource-conserving operations.

Greenhouse Gas Emissions

Greenhouse gas emissions resulting from ongoing business operations are categorized into Scope 1 and Scope 2 in accordance with the Greenhouse Gas Protocol. Operational activities are concentrated across three locations, with the headquarters serving as the strategic center. In line with the criteria of the Greenhouse Gas Protocol, the emissions from the Berlin location are not included in the calculations for Scope 1 and Scope 2, as it is not under operational control.

Scope 1: Direct Emissions

Scope 1 covers all direct emissions from company-owned sources or those under operational control. This primarily includes the combustion of energy sources for heating, the use of technical gases, and the company-owned vehicle fleet. A significant milestone was achieved by the end of 2025: approximately 90 % of the fleet was converted to electric vehicles.

The fleet transition is supported by a high-performance, site-owned charging infrastructure consisting of 23 standard and two rapid charging stations – all powered exclusively with green electricity.

Scope 2: Indirect Emissions

Scope 2 covers indirect emissions from externally sourced energy, particularly the purchased green electricity for the operation of offices, the warehouse, and the IT infrastructure. The market-based approach was applied to determine emissions from electricity consumption. To calculate the Corporate Carbon Footprint, the relevant emission sources were first identified. These form the basis for the calculation of corporate emissions, which is carried out annually based on consumption data. As shown in Table 4, total Scope 1 and Scope 2 emissions in 2025 amounted to 99.4 t CO_2e.

	Greenhouse Gas Emissions (t CO_2e)
Scope 1	99.4
Scope 2	0,0
Total	**99.4**

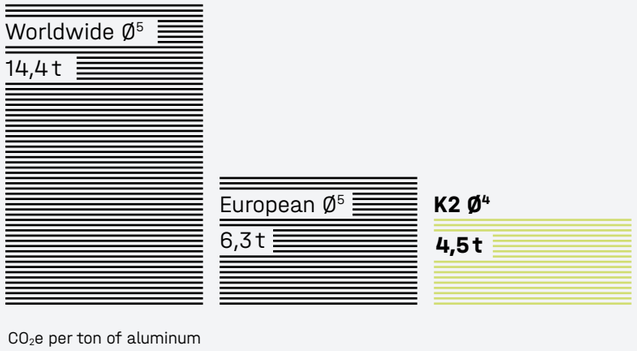
Table 4: Scope 1 and Scope 2 emissions according to the Greenhouse Gas Protocol

3.2 Product Emissions

The fundamental goal is the continuous expansion of the available Product Carbon Footprints (PCF) as well as the systematic reduction of product emissions through close cooperation with suppliers - more detailed information on this can be found in Chapter 6.

Due to the high proportion of aluminum in the products, the initial calculations focused on this material. Furthermore, the largest share of K2 product emissions is attributable to the raw material, which is why the focus is currently placed on it.

The average CO_2 footprint for the aluminum used in the products is 4.5 t CO_2e per ton[4]. This value is significantly lower than the global and European averages:



In addition to the raw material, initial emission values for the manufacturing process of the rails were also recorded. Examples of product-specific average values based on supplier data are as follows:

	Raw material (aluminum bolts)	Manufacturing (Extrusion)
SingleRail 36	3,42 kg CO_2e per kilogram of aluminum	0,71 kg CO_2e per kilogram of aluminum
Percentage of supplier data	approx. 91 %	approx. 91 %
BasicRail 22	3,43 kg CO_2e per kilogram of aluminum	0,82 kg CO_2e per kilogram of aluminum
Percentage of supplier data	approx. 90 %	approx. 90 %

Table 5: Average product emissions based on supplier data for raw material (aluminum bolts) and manufacturing (extrusion) for SingleRail 36 and BasicRail 22 rails (average across all lengths 2025)

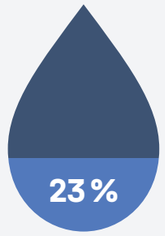
To increase customer transparency, available Product Carbon Footprints are integrated directly into customer invoices. Furthermore, this data can be provided on a batch-specific basis upon request—for instance, covering all product deliveries from the preceding year.

3.3 Water

Although water was classified as non-material through the Double Materiality Assessment, and no proprietary production processes are conducted at the sites, water consumption is regularly recorded and monitored[6]. Consumption is limited to standard requirements for sanitary facilities and use in office and operational areas.

In the reporting year, total water consumption across all sites amounted to 1.371,2 m³. Furthermore, water-saving aerators were installed at the headquarters to further reduce consumption.

Of the 1.371,2 m³, 23 % was collected in a rainwater harvesting system at the headquarters and used for toilet flushing in the new warehouse building as well as for watering the outdoor areas, thereby saving fresh water.



Of 1,371.2 m³,

23 %

was collected at the headquarters in a rainwater harvesting system and used to flush toilets in the new warehouse building and to water outdoor areas.

A detailed breakdown of water consumption metrics is provided in the following table:

	Public water supply	Service/ Rainwater
Headquarters Renningen	853,0 m³	305,0 m³
Warehouse Weil der Stadt	79,7 m³	-
Warehouse Renningen	84,0 m³	-
Location Berlin	49,5 m³	-
Total Proportion	**1,066.2 m³**	**305,0 m³**
Total	**1,371.2 m³**	

Table 6: Water consumption by corporate location

Another important measure is the provision of 24,500 liters of drinking water via in-house dispensers. This eliminated the need for roughly 24,500 water bottles, including transportation. This measure conserves valuable resources and reduces CO_2 emissions.

Savings of

24,500

Water bottles

[4] based on supplier data (from 2025); for 11 % of the aluminum tonnage, default values were used (depending on supplier location): 14.4 t CO_2e/t (Non-EU) and 6.3 t CO_2e/t (EU), Source (from 2024) Non-EU, Source (from 2024) EU
[5] Source (from 2024) Non-EU, Source (from 2024) EU
[6] Excluded from this are the rented office spaces at the Berlin location. No site-specific consumption data is available for these, meaning they were determined based on average values.

3.4 Resource Use, Circular Economy, and Waste Management

In the course of business operations, waste is generated exclusively through general office and administrative activities, as there are no production-related waste streams. In 2025, a total waste volume of 370.26 t was recorded across all locations.

The classification of waste into the categories "Recycling and Reuse" as well as "Landfill" is based on the respective disposal pathway.

In accordance with the VSME standard, waste that is collected separately and handed over to specialized waste management or recycling companies is categorized as reused. In this context, the quantity handed over is decisive, rather than the actual recycling rate achieved. Non-recyclable or mixed waste is reported as the landfill portion. Hazardous waste is collected separately in strict compliance with legal requirements and disposed of exclusively through authorized specialist companies. The graphic below shows the recycling and reuse rate of 100 %.

370.26 t
Total amount

0.08 t
of which hazardous waste

100 %
Percentage of recycling and reuse

0 %
Percentage sent to landfills

Total weight of waste, share of hazardous waste, and disposal routes (landfill vs. recycling/reuse)

As described in Chapter 2, the Eco Warriors Battle serves as an annual catalyst for sustainability projects. One noteworthy initiative resulting from this competition is the organic waste recycling program launched in 2025: Instead of disposing of food waste in general waste containers as specified by the local waste management company, the waste is systematically collected in the kitchens of the headquarters. Subsequently, the biowaste is composted on-site and reused for the maintenance of the outdoor facilities. Such measures exemplify the commitment to better waste recycling and the strengthening of ecological awareness within the organization.

[7] The exception to this is the Berlin site. Since no site-specific waste data is available for this location, the figures were calculated based on average values.

4 | Social

Social responsibility is a central element of the corporate philosophy and is reflected in a clear commitment to diversity, fair working conditions, and a culture of mutual respect and trust. The personal and professional development of employees is a primary focus. At the same time, their health and safety have top priority.

The following chapters provide an overview of strategic measures and key figures regarding employee structure, safety and health, remuneration, and professional development for all individuals directly employed by K2 Systems GmbH.

4.1 Workforce: General Characteristics

K2 Systems places great importance on providing an attractive working environment that accommodates diverse lifestyles through flexible frameworks. Office-based employees benefit from a hybrid structure with two mobile workdays per week, while warehouse operations are managed through fair, employee-oriented shift schedules. Through these measures, the company actively promotes the compatibility of professional and private life.

As of December 2025, K2 Systems GmbH employed 318 people in Germany, comprising 251 full-time and 67 part-time staff. The team is characterized by exceptional diversity, with more than 40 nations represented—a multicultural foundation that enriches the corporate culture and integrates global perspectives into daily work.

251
Full-time employees

67
Part-time employees

94.03 %
permanent contracts

5.97 %
fixed-term contracts

With an average age of approximately 39 years, the company shows a balanced age structure. This not only contributes to securing specialist competence in the long term but also reflects the appeal to different age groups. The high proportion of permanent employment contracts is evident in the contract structure: at 94.03 %, it is above the German average of 93 %[8], underscoring the focus on a secure and reliable working environment.

Gender distribution is another key metric: as of December 2025, the workforce included 127 women and 191 men (with no employees registered as diverse or opting not to specify).

While the operational focus on warehousing leads to a higher proportion of male employees—typical for the industry—the company has achieved an exemplary 36 % representation of women in leadership positions. This figure significantly outperforms the German national average of 29 %[9].

36 % **Women in leadership positions**

This figure is significantly higher than the German national average of **29 %**[9]

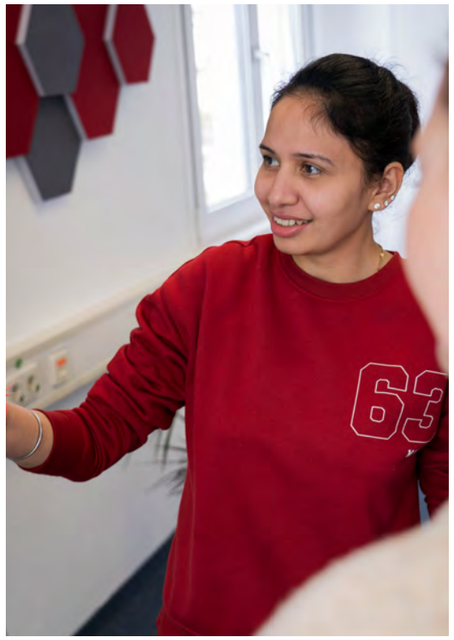
The low turnover rate of 15.6 % - half the 30 % national average - highlights high employee satisfaction. This positive workplace culture is further evidenced by the "boomerang effect," where former employees frequently choose to return, demonstrating appreciation for the environment.

While the average length of service of 5 years reflects recent rapid expansion, the company continues to prioritize the retention of experienced staff alongside the integration of new talent to enrich the team with innovative ideas and perspectives.

15,6 %
Turnover rate

about half the national average of **30 %**[10]

[8] Source (Figure refers to 2024) Temporary employees (Federal Statistical Office)
[9] Source (Figure refers to 2024) Germany below the EU average: Fewer than one in three executives are women (Federal Statistical Office)
[10] Source (Figure refers to 2024) Industry change of employees



4.2 Occupational Health and Safety

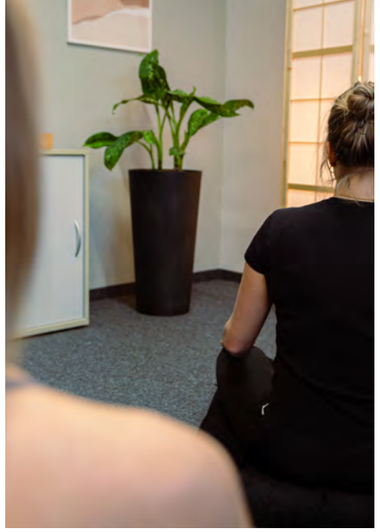
Employee health and safety remain the highest priority. To ensure safe working conditions, K2 Systems conducts regular risk assessments and comprehensive safety training. In addition, occupational health check-ups are offered. These measures ensure that safety and well-being are firmly integrated into daily operations. It goes without saying that all legal requirements applicable to the company are fully met.

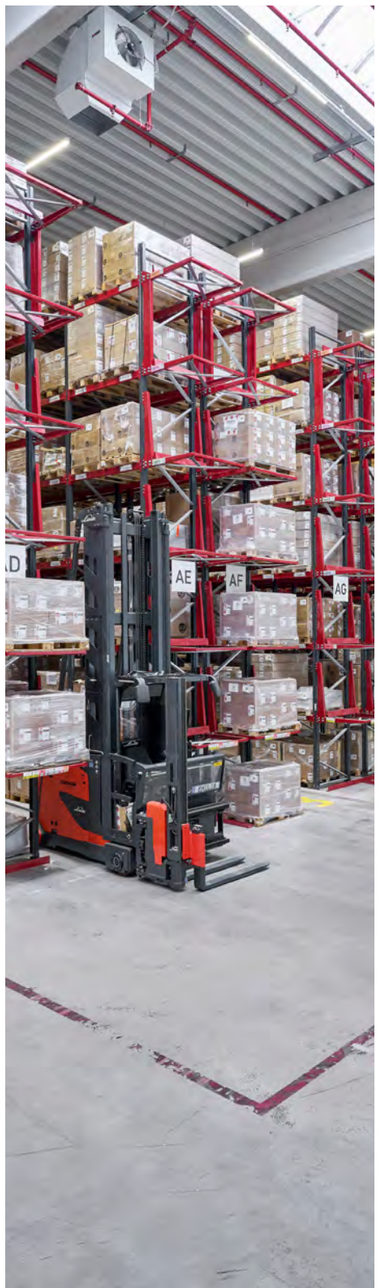
The rate of reportable workplace accidents is determined annually based on internal reports and legal criteria, and in 2025 stood at 0.78 %[11]. In total, two reportable workplace accidents were registered. Compared to the German national average—which corresponds to 6.8 accidents when converted to the K2 working hours volume[12]—this value underscores an exceptionally high level of safety. As in previous years, no work-related fatalities were recorded.

In the warehouse, targeted measures are implemented to reduce physical strain:

- **Automated packaging:** Automated pallet wrapping machines minimize manual activities and optimize workflows. The latest models fix the film to the pallet automatically, eliminating the need for employees to bend down, which significantly improves ergonomics.
- **Ergonomic equipment:** Ergonomically designed electric forklifts and pallet trucks support health-conscious handling. These vehicles feature innovative technology, such as decoupled platforms that minimize vibrations and shocks from uneven floors. Furthermore, narrow-aisle trucks allow for both standing and seated operation, ensuring greater variety in posture.
- **Training and prevention:** Supplementary ergonomics training teaches efficient, back-friendly lifting techniques to actively promote long-term physical health and prevent injuries.

Furthermore, K2 Systems provides a working environment that actively supports health, well-being, and flexibility. A comprehensive range of services is offered, including care by a company physician, after-work yoga sessions, and healthy nutrition workshops. To encourage active and sustainable mobility, the company provides a public transport allowance and offers electric company bikes (E-bikes) for both professional and private use. Additionally, employees can gain access to fitness centers, swimming pools, and various sports activities through the EGYM Wellpass. Additional benefits, such as height-adjustable desks, a daily supply of fresh fruits and vegetables, and a meal subsidy, underscore the appreciation shown towards the workforce.





4.3 Workforce: Compensation and Training

Compensation

All employees receive fair remuneration which is determined by objective criteria including qualifications, area of responsibility, and level of accountability ensuring a gender-neutral pay structure.

While the average gender pay gap in Germany stands at 15.6 %, the company has achieved a significantly lower gap of only 4.2 %. This metric, which is based on average hourly wages, is primarily attributable to structural differences in roles and educational qualifications. Such a small difference underscores the consistent commitment to fair remuneration practices and equal opportunities for all employees.

Average gender pay gap

4,2 % at K2 Systems

Lower that the average in Germany of:
15,6 %[13]

Furthermore, employees share in the financial success of the company and receive a monthly tax-free benefit in kind worth 40 €. This subsidy can be redeemed at local businesses, thereby promoting the regional economy. In addition, K2 Systems promotes the retirement planning of its employees through a subsidy that increases with length of service. This remuneration structure forms a central pillar of the corporate culture and creates an attractive and appreciative working environment for the entire workforce.

Training and Development

The company views the continuous development of its workforce as a cornerstone of future viability and innovation.

In 2025, the organization outpaced the German national average of 20.3 training hours, achieving a robust average of 22.8 hours per employee. This high level of engagement is balanced across genders—with women averaging 23 hours and men 22.6 hours.

Hours of continuing education per employee

22,8 h at K2 Systems

Higher than the German average of
20,3 hours[14]

These figures encompass technical and cross-functional training, ranging from digital literacy to leadership development. The Training hours for student apprentices are excluded from these figures.

A special format is the weekly 30-minute learning time for self-directed learning via an e-learning platform, supplemented by targeted training on communication, presentation, and feedback. This offering is open to all employees. Specialized programs such as customs training are primarily aimed at the departments directly involved but remain accessible to other relevant or interested individuals within the company.

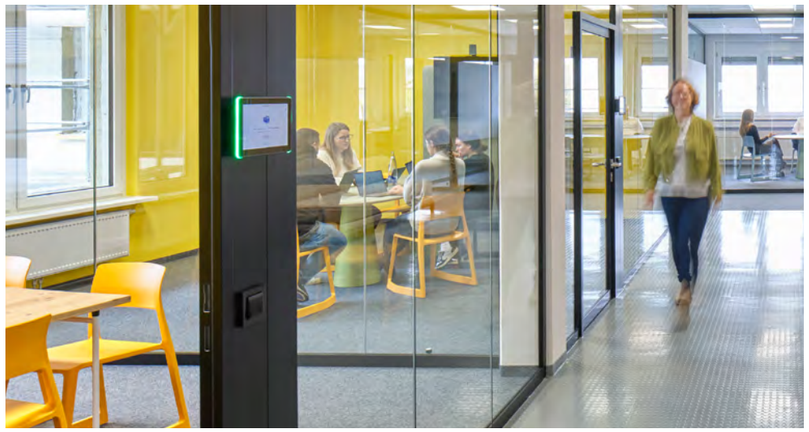
[11] Calculation of the rate according to the VSME standard: (reportable workplace accidents ÷ hours worked) × 200,000
[12] Source (Figure refers to 2024) DGUV
[13] Source (Figure refers to 2024) Gender Pay Gap: An EU Comparison (Federal Statistical Office) (as of March 2026)
[14] Source (Figure refers to 2022) IW-Trends

5 | Governance

The principles of corporate conduct are anchored in the Code of Conduct. Corruption, bribery, fraud, and any form of unethical behavior are not tolerated. All employees share the responsibility for complying with these values, with regular training ensuring a consistent understanding of legally compliant behavior. Internal measures are in place to minimize potential hazards and risks; these include mechanisms such as an anonymous whistleblower system and a mandatory four-eyes principle for all invoice approvals.

During the reporting period, there were no known convictions or fines for violations of anti-corruption or anti-bribery laws.

Code of Conduct



6 | Sustainable Procurement

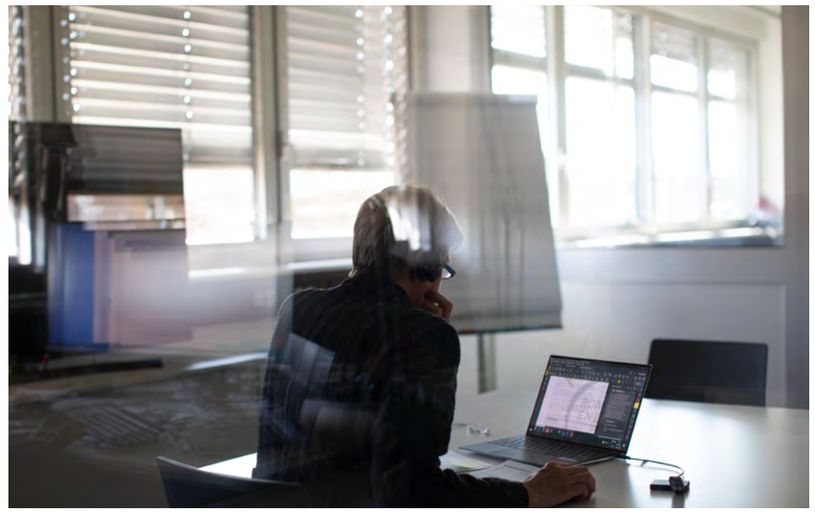
A cornerstone of the sustainability strategy is the commitment to regional and European procurement, with 85 % of suppliers located within the EU.

85 %
Regional Sourcing

This proximity significantly reduces transport-related emissions and strengthens regional economic cycles. K2 Systems prioritizes partnerships with organizations that are actively committed to sustainability and CO_2 reduction. This approach allows the company to combine ecological and economic advantages, fostering enduring collaborations.

To integrate ecological and social aspects even more deeply into the procurement process, the procurement team receives regular training on sustainability topics. In addition, an annual supplier evaluations provides a transparent and measurable framework for assessment. In this process, K2 Systems considers ecological and social topics such as the use of renewable energies, the preparation of carbon footprints, and occupational health and safety measures (e.g., ISO 45001).

Currently, 71 %[15] of suppliers hold an ISO 14001 certification, and 80 %[15] use renewable energies, which significantly lowers the carbon footprint. Based on these annual assessments, the collaboration with suppliers is continuously further developed.



[15] Based on supplier information and weighted by purchasing volume.

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