



SUSTAINABILITY REPORT 2025



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About Frauenthal Automotive

What we do

Frauenthal Automotive is a leading company in the automotive industry, specializing in the development and production of sustainable metal components. Our global reach extends to commercial and passenger OEMs, as well as industrial customers.

Frauenthal Automotive Group

Frauenthal Automotive operates as a key player in the automotive sector, with manufacturing and research and development (R&D) facilities strategically located worldwide. Our collective goal as a group is to facilitate safe individual mobility and enhance transportation by creating and producing Sustainable metal components for the automotive industry. Frauenthal Automotive comprises two business units: Frauenthal Gnotec and Frauenthal Airtank. While they operate under the common umbrella of Frauenthal Automotive, Gnotec and Airtank continue to serve distinct market areas.

Further details about Gnotec and Airtank can be found on the next page.

Company structure

Our organizational structure encompasses a global level with two business areas (Gnotec & Airtank). Those operating at the global level bear the title Frauenthal Automotive, while employees at the local levels hold either the title Frauenthal Gnotec or Airtank. It is crucial to emphasize that regardless of their specific title, all employees, whether operating at the global or local levels, remain integral members of the Frauenthal Automotive Group. However, it is worth noting that the global level functions as the management overseeing the entire group, whereas the local levels operate independently as distinct entities.

203.5

Net revenue (EURm)

24.2

Million units sold

1.7

Million airtanks produced





About Frauenthal Automotive

A part of RCP Group

In December 2025, Frauenthal Automotive was acquired by SteelCo.Tech and became part of the RCP Group. This strategic milestone marks the beginning of a new chapter in our company's development and further strengthens our position as a leading supplier of metal-based components and systems to the automotive industry.

The integration into RCP Group provides a strong and stable ownership structure with a long-term industrial perspective. Through SteelCo.Tech, we benefit from expanded technological capabilities, operational synergies, and enhanced financial capacity to support sustainable growth and strategic investments. The transaction reinforces our ability to execute our transformation roadmap, including investments in decarbonization, operational efficiency, and advanced manufacturing technologies.

Frauenthal Automotive continues to operate under its established brand and management structure, maintaining close partnerships with customers and a strong international production footprint. Our strategic direction remains focused on innovation, long-term value creation, and the transition toward low-carbon manufacturing.

About RCP Group

RCP Group is an industrial investment group with a long-term ownership philosophy focused on developing technology-driven manufacturing companies. The group supports its portfolio businesses through strategic guidance, operational excellence initiatives, and responsible capital allocation aimed at sustainable value creation.

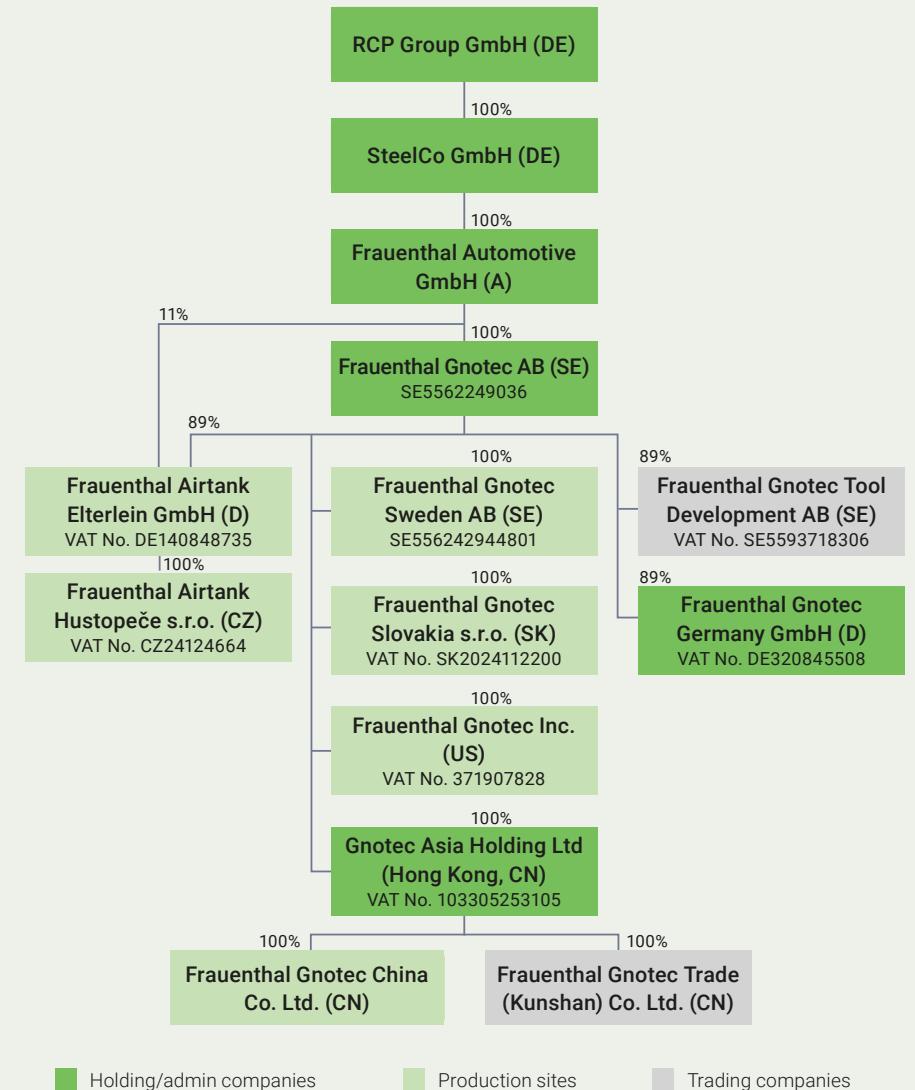
The acquisition of Frauenthal Automotive aligns with RCP Group's strategy to expand its presence in advanced metal processing and automotive supply chains, particularly in segments supporting lightweight solutions, electrification, and industrial decarbonization.

About this report

This Group Sustainability Report is prepared by Frauenthal Gnotec AB to ensure that Frauenthal Gnotec Sweden AB, 5562429448, complies with the Swedish legal requirements for sustainability reporting under the Swedish Annual Accounts Act (Årsredovisningslagen, ÅRL).

The report covers the full financial year of 2025 and includes sustainability information for all companies within the Frauenthal Automotive Group shown in the organization chart.

ORGANISATION CHART





A global group with a strong position

Frauenthal Gnotec

We have developed and produced metal components since 1947. The first Automotive components were locking details for Volvo Cars PVs and the Volvo Amazon. Today, Frauenthal Gnotec is a leading international manufacturer of metal components for the automotive vehicle industry. The company has a long history of Swedish entrepreneurship with innovative and hard-working people. Production plants are located in Sweden, Slovakia, China and USA.

Frauenthal Airtank

In 1950, the first steel compressed air tank was produced in Ahlen, Germany. Since then, Frauenthal Airtank has become the largest air tank manufacturer in Europe with its market share of over 50 percent. Production plants are located in Germany and Czech Republic.



7 countries
11 plants
About 1,500 employees



Let us showcase a glimpse of what we do

Frauenthal Automotive (FTA) components stands as a pioneering force in the automotive industry, renowned for its innovative solutions and top-tier components. With a rich history spanning decades, FTA has solidified its position as a trusted partner for leading automobile manufacturers worldwide.

Specializing in the production of high-quality automotive components, FTA excels in various areas including precision metal stamping, complex assembly systems, and advanced engineering solutions. Our diverse product range encompasses critical components such as chassis parts and safety systems, all meticulously designed to meet stringent industry standards for performance, durability, and safety. The accompanying images offer a glimpse into some of the components we produce, showcasing our commitment to excellence and innovation in every aspect of our work.



A deployable air tank to streamline production and boost efficiency by cutting assembly time on customer lines.



Economical air reservoirs, lightweight with up to 40% weight savings, come in various models.



Tailored air reservoirs with customized solutions engineered for rapid assembly.



A Year in Review

Climate transition

In 2025, Frauenthal Automotive accelerated the implementation of its climate transition plan, aligned with the objectives of the Paris Agreement and the EU climate neutrality pathway. Our decarbonization roadmap focuses on reducing Scope 1 and Scope 2 greenhouse gas (GHG) emissions through energy system transformation, operational efficiency improvements, and progressive electrification across all sites.

A key milestone during the year was the advancement of our transition to climate-neutral electricity across operations, subject to local market availability and infrastructure constraints. Several sites have already achieved 100% renewable electricity through certified supply contracts

and on-site photovoltaic generation, while additional agreements and solar expansion projects are underway.

Energy and operations

To address Scope 1 emissions, we implemented targeted energy efficiency and fuel-switch initiatives, including high-efficiency heating systems, heat recovery technologies, and optimization of process temperatures and operating times. We also continued evaluating electrified and lower-carbon production technologies.

In parallel, we advanced the electrification of our vehicle fleet and intralogistics operations, replacing fossil fuel-based equipment with electric alternatives where technically and economi-

cally feasible. These measures contribute directly to reducing both Scope 1 and market-based Scope 2 emissions.

Investments and progress

Our capital allocation for the period 2025–2030 prioritizes investments in renewable energy generation, green electricity procurement, energy efficiency technologies, and electrification measures. These investments are embedded in our financial planning and support the long-term resilience of our business model under different climate transition scenarios.

In markets where access to certified renewable electricity remains limited, we continue to assess structural constraints and implement mitigation

measures such as power purchase agreements (PPAs), guarantees of origin, and on-site generation expansion.

The progress achieved in 2025 reflects the operationalization of our climate strategy and demonstrates measurable reductions in our operational carbon footprint, strengthened climate risk resilience, and alignment with a low-carbon economy.

Statement from the Head of Communication & Sustainability

Commitment to sustainable progress

In 2025, we took important steps in translating our climate ambitions into tangible actions across our operations. The progress achieved reflects a strong collective effort to integrate sustainability into our core business processes, from energy sourcing to operational efficiency and investment planning.

While we have advanced in reducing our emissions and strengthening our climate resilience, we recognize that the transition

ahead requires continued commitment, transparency, and collaboration across our value chain. Sustainability remains a key driver for long-term value creation, guiding how we engage with customers, employees, and partners.

We remain focused on accelerating our transition, improving data quality and governance, and ensuring alignment with evolving regulatory expectations and stakeholder demands.



CAROLINE JOHANSSON
HEAD OF COMMUNICATION & SUSTAINABILITY



2025 highlights



FRAUENTHAL GNOTEC SWEDEN

Energy and transport initiatives

Frauenthal Gnotec Sweden successfully implemented measures to reduce energy consumption and transport-related CO₂ emissions. To decrease electricity use for heating material storage, electric heaters in the material tent were replaced with energy-efficient Aerotemper units, significantly reducing power consumption.

In addition, the site expanded charging infrastructure for employees, supporting the transition to hybrid and electric vehicles and contributing to lower transport-related emissions. These initiatives were driven by site management and form part of Frauenthal Automotive's broader efforts to improve energy efficiency and reduce its environmental footprint.



FRAUENTHAL GNOTEC CHINA

Increasing the share of green electricity

Frauenthal Gnotec China increased the share of renewable electricity used at the Kunshan site. The facility connected to the local grid supplied with electricity generated from roof-mounted solar panels installed at the site. This initiative supports the company's efforts to increase the share of green electricity in its energy mix and reduce indirect CO₂ emissions associated with purchased electricity.

The project was coordinated by the local departments and was successfully completed in April 2025.



FRAUENTHAL AIRTANK ELTERLEIN

Water management optimization

Frauenthal Airtank Elterlein implemented measures to improve water management and optimize water-related costs at the site. The initiative focused on improved measurement and accounting of process water, enabling better monitoring and control of water consumption in production processes.

The project was coordinated by the environmental department and supports the site's efforts to increase resource efficiency and strengthen environmental management.



FRAUENTHAL AIRTANK ELTERLEIN

Energy efficiency in painting process

Frauenthal Airtank Elterlein implemented energy efficiency improvements in its painting operations during 2025. The project focused on optimizing the painting oven by adding additional insulation to the underside of the oven and adjusting operating temperatures.

These measures contributed to reduced energy consumption and lower natural gas emissions associated with the painting process. The initiative was led by the energy management department and supports the company's broader efforts to reduce energy use and greenhouse gas emissions.



Our sustainability agenda



Strategy

Strategy and business model

Frauenthal Automotive is a supplier of engineered metal components to the global automotive industry, serving OEMs and Tier-1 suppliers. Our business model is based on the development, production, and delivery of high-quality components that support vehicle performance, safety, and durability across the product lifecycle.

Our strategy is designed to strengthen our position as a reliable and responsible industrial partner while supporting the transition toward more sustainable mobility solutions. We focus on operational excellence, long-term customer relationships, and continuous improvement across our manufacturing footprint.

Sustainability is integrated into our strategic direction through a focus on resource efficiency, responsible business conduct, and long-term value creation. We aim to reduce environmental impacts in our operations, including energy use and emissions, while contributing to efficient material use and durable product design within the automotive value chain.

Our strategic priorities

Our strategic framework connects our long-term vision with clearly defined priorities across four pillars:

- **Customer** – delivering high-quality products, engineering expertise, and reliable supply through close collaboration with OEMs and Tier-1 suppliers
- **People** – fostering a safe, accountable, and performance-driven culture supported by competence development and leadership
- **Products** – continuously developing and optimizing our product portfolio to meet evolving customer and regulatory requirements, with a focus on durability and performance
- **Operations** – driving operational excellence through standardized processes, digitalization, and continuous improvement, enhancing productivity, quality, and resource efficiency

Executing our strategy

Our strategic direction remains focused on innovation, long-term value creation, and the transition toward low-carbon manufacturing. Through ongoing improvements in processes and technologies, we aim to enhance energy efficiency and reduce emissions across our operations.

Strategy implementation is supported by structured initiatives aligned with the strategic pillars, ensuring that strategic priorities are translated into operational actions across the organization.

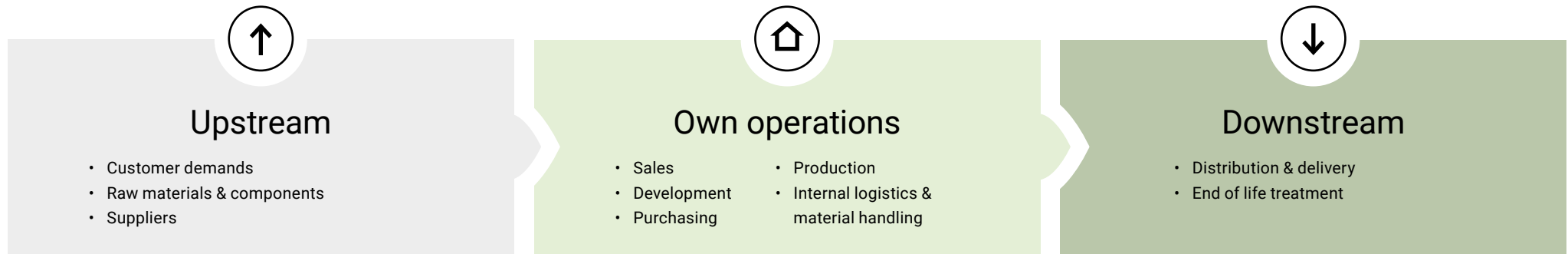
Frauenthal Automotive creates value by delivering reliable products and maintaining long-term partnerships with customers, while acting responsibly toward employees, business partners, shareholders, and local communities. Our approach is guided by responsible business conduct, continuous improvement, and alignment with stakeholder expectations.

Our strategy reflects the expectations of key stakeholders, including employees, customers, business partners, shareholders, and local communities, particularly in relation to responsible business conduct, environmental performance, and long-term value creation.

Our core values — **Trust, Think, and Team** — underpin our culture, governance, and decision-making processes, supporting consistent execution of our strategy.



Value chain



⬆️ Upstream

Frauenthal Automotive's upstream value chain consists of suppliers providing raw materials, components, and production inputs essential for manufacturing automotive parts. These include primarily steel and metal materials, as well as fasteners, welding wire, coatings, and other technical inputs.

The upstream value chain also includes suppliers of auxiliary materials and services supporting production, such as packaging and inbound logistics. Environmental impacts mainly arise from the production and processing of raw materials – particularly metals – as well as transportation to our manufacturing sites.

As a supplier to the automotive industry, material and technical specifications are largely defined by OEM requirements. Consequently, our direct influence over material selection is limited. However, we actively engage with customers and suppliers to promote more sustainable material solutions where feasible.

High impact and limited influence

While the most significant environmental impacts occur in upstream raw material production, Frauenthal Automotive seeks to address these impacts through collaboration and engagement across the value chain. The company works with suppliers to increase transparency regarding material sourcing and environmental performance, including greenhouse gas emissions related to purchased materials.

Frauenthal Automotive also maintains close dialogue with customers to support the consideration of lower-carbon and recycled material alternatives where technically and commercially feasible. Through these partnerships, the company aims to contribute to the gradual improvement of environmental performance within the automotive value chain while meeting the technical specifications defined by OEM customers.

FRAUENTHAL AUTOMOTIVE ACTIVITIES IN THE UPSTREAM VALUE CHAIN

Environmental action

- Engaging with suppliers to increase transparency on greenhouse gas emissions associated with purchased materials
- Encouraging the use of lower-carbon and recycled material alternatives where technically and commercially feasible
- Integrating environmental-related criteria into supplier evaluations and sourcing processes over time
- Supporting customers in the transition toward lower-emission material specifications through technical dialogue

Resource efficiency

- Promoting the use of recycled and responsibly sourced materials in collaboration with suppliers and customers
- Supporting material efficiency through optimized product design and specification alignment
- Increasing traceability of material content and origin where feasible

Governance

- Engaging suppliers through codes of conduct and sustainability requirements
- Promoting compliance with environmental and social standards across the supply chain
- Supporting supplier development and continuous improvement in sustainability performance



Value chain

Own operations

Frauenthal Automotive's own operations include the development, manufacturing, and assembly of metal components and systems for the automotive industry. Development is a central function within the Group, while project management and implementation are carried out locally at the production sites.

These activities are conducted at the company's production facilities and involve processes such as metal forming, welding, machining, surface treatment, and assembly.

The main environmental impacts within own operations relate to energy consumption in manufacturing processes, the use of raw and auxiliary materials, and the generation of production waste.

Frauenthal Automotive continuously works to improve operational efficiency through optimized resource use and increased energy efficiency.

FRAUENTHAL AUTOMOTIVE ACTIVITIES IN OWN OPERATIONS

Environmental action

- Improving energy efficiency across manufacturing facilities and processes
- Increasing the use of renewable electricity where available
- Monitoring and reducing greenhouse gas (GHG) emissions from operations

Resource efficiency

- Maintaining a high level of recycling and recovery of metal scrap from production
- Further improving material sorting systems to enhance recycling efficiency and material recovery
- Optimizing material utilization to minimize waste generation

Governance

- Maintaining safe and healthy working conditions across all operations
- Providing employee training and competence development
- Ensuring compliance with internal policies and regulatory requirements

Downstream

Frauenthal Automotive's downstream value chain consists of the delivery of components and systems to automotive manufacturers and other customers. Our products are integrated into customer systems and vehicles, contributing to safety, functionality, durability, and performance.

The downstream phase primarily includes the transportation and distribution of finished components and their integration into vehicles. In many cases, transportation is managed by customers through their own logistics networks.

Where Frauenthal Automotive manages transportation, the focus is on optimizing logistics flows and improving transport efficiency. In addition, the company's global production footprint supports proximity to customers and markets, helping to reduce transportation distances and associated emissions.

While our influence on the use phase and end-of-life treatment of vehicles is limited, we contribute through high product quality, durability, and close collaboration with customers.

FRAUENTHAL AUTOMOTIVE ACTIVITIES IN THE DOWNSTREAM VALUE CHAIN

Environmental action

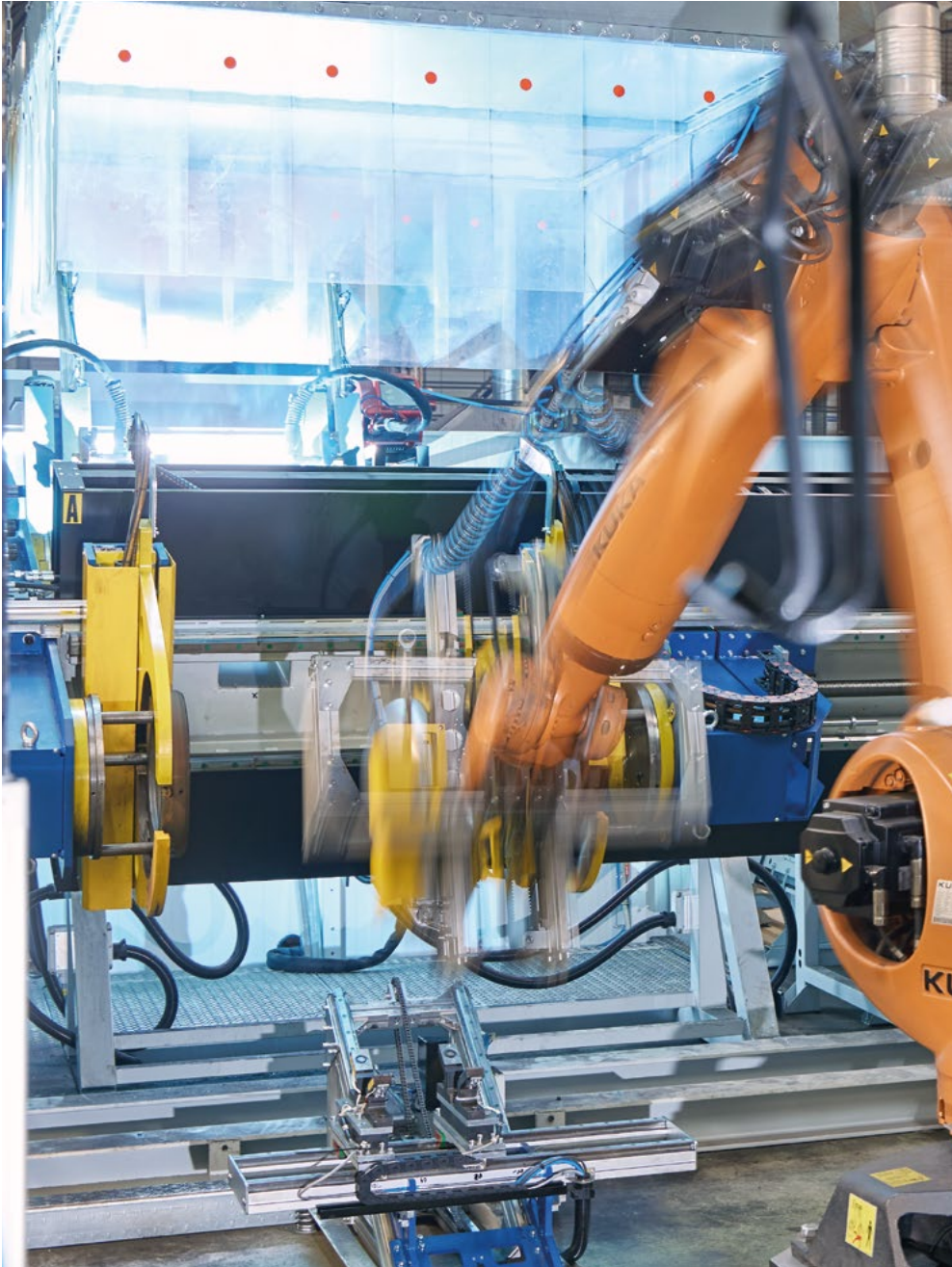
- Optimizing logistics and transportation where managed by Frauenthal Automotive
- Supporting customers with components designed for efficient vehicle systems
- Leveraging a global production footprint to reduce transportation distances

Resource efficiency

- Designing durable components that support long product lifetimes
- Supporting material recovery through product design and material choices, as well as through advanced scrap management systems in our operations, including conveyor-based collection and automated sorting of production scrap connected to multiple manufacturing processes
- Providing relevant product information to customers where required

Responsible business

- Maintaining transparent and responsible customer relationships
- Ensuring compliance with product quality and safety requirements
- Supporting responsible practices across the automotive value chain



Materiality analysis

Identifying what matters most

Frauenthal Automotive has previously conducted a materiality assessment in line with the GRI Standards, identifying material environmental, social, and governance (ESG) topics relevant to the company's operations and stakeholders.

During the reporting year, Frauenthal Automotive initiated a gradual transition towards the European Sustainability Reporting Standards (ESRS). This work represents an important step in the company's preparations for future regulatory requirements and will continue in the coming year. As a result, no completed or fully updated materiality assessment, including a double materiality assessment in accordance with ESRS, has been finalized for the 2025 reporting year.

The 2025 disclosures therefore cover selected sustainability topics based on:

- Existing risk management assessment
- Identified environmental and operational impact areas
- Current internal priorities and data availability

Risk management

Frauenthal Automotive identifies and manages sustainability-related risks and opportunities as part of its overall risk management framework. The process is aligned with the company's materiality assessment and focuses on the most significant environmental, social, and governance (ESG) topics.

Key sustainability-related risks include:

- **Climate-related risks**, particularly linked to energy use and upstream material emissions
- **Supply chain risks**, including dependency on raw materials and supplier sustainability performance
- **Workforce-related risks**, such as availability of skilled employees
- **Compliance and business conduct risks**, including regulatory requirements and ethical standards

These risks are managed through structured processes, including policies, internal controls, supplier engagement, and continuous monitoring.

The company integrates risk considerations into its strategic decision-making and operational management, ensuring alignment between identified risks, strategic priorities, and mitigation actions.



Stakeholder engagement



Stakeholder engagement and materiality

Frauenthal Automotive engages with key stakeholder groups across its value chain to understand expectations, identify sustainability impacts, and support the assessment of material sustainability topics. Stakeholder dialogue forms an important input to the company's development and materiality assessment, helping to identify environmental, social, and governance topics.

A structured process to develop a materiality analysis was carried out two years ago, reinforcing the company's commitment to sustainability. The process involved a comprehensive assessment of the supply chain, customer base, employees, local communities, and relevant regulatory bodies to identify key stakeholders with an interest in the company's operations. This inclusive approach was essential to gaining a holistic understanding of the company's impacts and to addressing the concerns and expectations of those affected by its activities. The insights generated through this work resulted in the identification of the company's key stakeholder groups, as presented in the table on the right-hand side.

Engagement and dialogue with these stakeholders also generated valuable insights through this work have played an important role in shaping the sustainability disclosures and continue to inform the company's sustainability efforts.

Stakeholders	Stakeholder needs	How we address these needs
Employees	• Fair compensation and benefits • Open communication and feedback • Work-life balance • Training and professional development • Safe and healthy working environment • Access to healthcare	• Collective agreements and clear employment conditions • Regular performance and development reviews • Flexible working arrangements where applicable • Individual training and development programs • Active work environment and safety committees • Integration of employee wellbeing into business processes
Customers	• High product quality • Reliable delivery performance • Competitive pricing • High service level and engineering support • Sustainable and responsible business practices • Global production and supply capability • Financial stability and strong project execution	• Standardized processes across the value chain • Structured production planning and resource allocation • Continuous improvements supported by advanced technology • Skilled and motivated workforce with strong routines and communication • Dedicated engineering expertise and technical systems • Global production footprint supporting customer needs • Strong cost control and operational efficiency
Suppliers	• Long-term collaboration • Efficient logistics and communication • Transparent contractual framework	• Supplier manual and procurement guidelines • Gnotec purchasing terms and conditions • Supplier Code of Conduct • Logistics guidelines and defined procedures
Universities (collaboration)	• Research collaboration • Opportunities for students and graduates • Industry cooperation	• Collaboration with Halmstad University and Chalmers University of Technology • Support for academic initiatives such as HU's Solar Team • Internship programs, thesis projects and joint development activities
Authorities	• Compliance with laws and regulations	• Strict compliance with applicable legislation • Constructive cooperation with authorities and support for local communities



Sustainability management

Our sustainability approach

The importance of sustainability continues to grow. This highlights the necessity for Frauenthal Automotive to adapt its strategies and processes to navigate emerging regulations effectively. Understanding the dynamic nature of sustainability, we recognize the importance of staying at the forefront of this constantly evolving landscape. As the call for sustainability becomes stronger, there is an increasing focus on transparency, governance, and minimizing negative impacts on the economy, environment, and society. Navigating this landscape demands finding a delicate balance between legislative requirements and evolving consumer expectations. Internally, we are actively addressing sustainability concerns, while externally, we are adapting to new regulations such as CSRD, reflecting the evolving landscape of sustainability reporting.

Responsibility

As we look ahead, we recognize both the challenges and opportunities in our sustainability management journey. Frauenthal Automotive stands prepared to embrace change, remaining steadfast in our dedication to responsible and sustainable practices.

Function	Name
Head of Communication & Sustainability	Caroline Johansson
CFO	Mikael Mårtensson
Group Business Controller	Rickard Blomqvist

The sustainability management work is defined in different programs across the group and functions, and covers areas of:





The levels of sustainability management within Frauenthal Automotive

Group level management

The table outlines Frauenthal Automotive's sustainability governance at the Group level. This level defines the sustainability framework, including policies, governance structures, and strategic direction. The global sustainability function is responsible for monitoring regulatory developments and ensuring alignment with the company's overall strategy, including its vision, mission, and sustainability objectives.

Sustainability governance is designed to ensure strong integration between Group and operational levels. Local representatives contribute to the identification of improvement initiatives and provide input to both strategic planning and execution, ensuring that Group-level priorities are informed by operational insights.

The Finance function is responsible for the collection, validation, and consolidation of quantitative sustainability data, in close coordination with local sustainability representatives.

The Group Communication & Sustainability function is responsible for coordinating sustainability-related governance processes. This includes ensuring compliance with applicable legal and customer requirements, and establishing Group-wide processes for target setting, monitoring, and reporting.

In addition, the function facilitates cross-functional alignment between HR, Sustainability/Quality, Finance, and Purchasing across the Group. It is responsible for developing reporting frame-

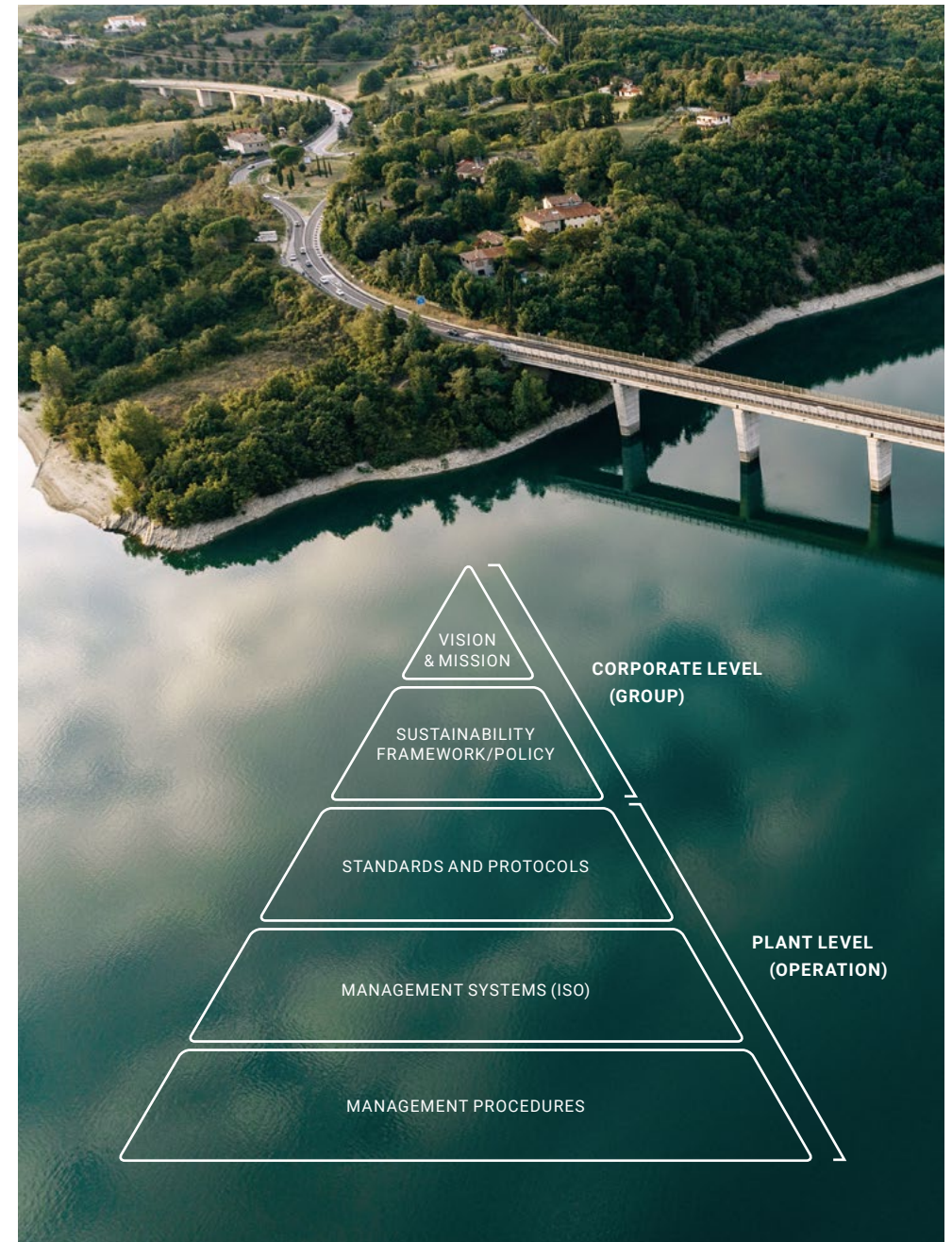
works, methodologies, and internal guidelines, as well as supporting implementation through training, employee engagement activities, and the preparation of the annual sustainability report.

Plant level management

At the plant level, the presence of a dedicated Sustainability Champion reflects our commitment to driving impactful change within each facility. Working closely with local Finance, HR, and Environmental/Sustainability Managers, these representatives form the backbone of our sustainability efforts at the operational level.

This level represents the frontline of implementation, where sustainability initiatives are translated into concrete actions. In addition to executing Group-level strategies, local representatives play a key role in shaping them. They proactively identify and develop improvement initiatives ahead of the annual budgeting process and contribute to both strategic planning and execution.

Sustainability Champions and managers ensure that day-to-day operations are aligned with established sustainability objectives. Their responsibilities extend beyond oversight; they actively apply established standards, protocols, and management systems, such as ISO frameworks, to guide decision-making and support continuous improvement. In addition, they develop and implement management procedures tailored to the specific needs of each plant, ensuring that sustainability is embedded in all aspects of operations.





Guidelines and associations

Our guiding principles and industry engage

At Frauenthal Automotive we have established a set of guidelines to facilitate our day-to-day work. Guidelines are available on our internal intranet and in our document management system. Some of these documents can also be accessed through our website <https://www.gnotec.com/sustainability/>. Certain essential documents, such

as the Code of Conduct, are integrated into our onboarding program for new employees. These guidelines, together with our core values, constitute the foundation of how we intend to operate as a company and how we expect our employees to conduct themselves. Our HR department is primarily tasked with the ongoing development and maintenance of these documents.

Guidelines

- Code of Conduct
- Code of Conduct for business partners
- Environmental policy
- Work environmental policy
- Equality policy
- Wellness policy
- Purchasing policy
- Integrity policy
- Recruiting policy
- Guidelines to protect whistleblowers

Associations

Gnotec

- FKG
- West Sweden Chambers of Commerce
- Slovenská Obchodná a Priemyselná Komora

Airtank

- AMZ – Automobilzulieferer Sachsen
- VDA Association of the Automotive Industry
- Member IBU – Industrieverband Blechumformung
- DVS – German Association for Welding technology



Certificates within Frauenthal Automotive

Frauenthal Automotive's ISO certificates show that our company follows quality standards and ensures that the products and services offered are always within parameters.

Our certifications are crucial as they serve as objective verification of our

commitment to specific quality and sustainability standards. This validation is essential in building confidence among our business partners when collaborating with us. Equally important, we prioritize ensuring our employees feel confident and take pride in upholding these standards.

Gnotec

- ISO 14001:2015 Third-party certification relating to environmental management systems
- ISO 9001:2015 Third-party certification relating to quality management systems
- IATF 16949:2016 Third-party certification relating to quality management systems
- TISAX in Gnotec Slovakia and in preparation in US.

Airtank

- ISO 45001 Third-party certification relating to occupational health and safety management system
- ISO 14001 Third-party certification relating to environmental management systems
- IATF 1694 Third-party certification relating to quality management systems
- ISO 50001
- QM-System Modul D
- QM-System according to guidelines 2014/68/EU
- TISAX in preparation



OUR BUSINESS

■ OUR SUSTAINABILITY AGENDA

ENVIRONMENT

SOCIAL

GOVERNANCE

ESG information



Environment

During the year, we improved our environmental performance through enhanced water management, increased energy efficiency, and the expansion of low-emission transport solutions. We also increased the share of renewable energy in selected operations.

Highlights of the year

Airtank (Elterlein & China)

- We have improved water management through measurement and accounting of process water, enabling better control and reduced water-related costs.
- Energy consumption and natural gas emissions have been reduced by optimizing the painting oven, including improved insulation and temperature adjustments.
- We have increased the share of green electricity by connecting to locally generated solar power following rooftop solar panel installation in China.

Gnotec (Sweden)

- We have supported the transition to low-emission transport by installing additional charging infrastructure and optimizing internal logistics to reduce CO₂ emissions.
- Waste management has been improved through increased source sorting in both production and office environments.
- Energy efficiency measures have been implemented, including replacing electric heaters and continuing the transition to LED lighting across the plant.



Social

In 2025, we strengthened employee engagement through a global survey and the rollout of additional training across the Group.

Highlights of the year

Frauenthal Automotive Group

- For the first time, we conducted a global employee survey using our internal communication app, reaching employees across all companies (excluding China), strengthening engagement and enabling better insight into employee perspectives.
- We have started to roll out our customized Operational Excellence training across the Group, empowering employees with the skills and tools to drive continuous improvement in their daily work.



Governance

During the year, we advanced governance through sustainability workshops, improved CO₂ tools, and enhanced purchasing processes for responsible sourcing.

Highlights of the year

Frauenthal Automotive Group

- We conducted several sustainability workshops as part of our ongoing commitment to environmental responsibility, and further enhanced our CO₂ calculation tool to improve accuracy and support data-driven decision-making.
- We have updated our purchasing processes, including enhancing supplier assessment during the evaluation and monitoring phases to strengthen responsible sourcing.



Environment

Our management approach and strategy prioritize innovative solutions aimed at reducing our environmental footprint. We strive to embed a sustainable mindset into all aspects of our daily operations. Some of our approaches include minimizing scrap through the implementation of a scrap sort-

ing manual and scrap code system, reducing energy consumption by opting for environmentally friendly production methods, transitioning from non-electric to electric vehicles, and continuously seeking opportunities to enhance our operational efficiency.

Fuel	Gnotec Units (L)	Airtank Units (L)	Gnotec Sweden Units (L)
Benzine (vehicles, cars, trucks)	32,358	132	6091
Diesel (vehicles, cars, trucks)	36,544	5,616	26904
Total	68,902	5,748	32995
CO₂ total	167	14	80,32

CO ₂ emissions, Energy consumption and energy mix	Frauenthal Automotive		Frauenthal Gnotec		Frauenthal Airtank		Frauenthal Gnotec Sweden	
	2025	2024	2025	2024	2025	2024	2025	2024
Scope 1 greenhouse gas emissions (t CO ₂ e)	2,137.93	2,496.13	497.38	489.51	1,640.55	2,006.62	189.14	137
Market-based Scope 2 gross greenhouse gas emissions (t CO ₂ e)	2,954.52	2,952.61	716.1	696.42	2,238.42	2,256.19	85	0
Location-based Scope 2 gross greenhouse gas emissions (t CO ₂ e)	3,738.1	0	1,187.78	0	2,550.32	0	69	0
Total Scope 1 and market-based Scope 2 gross greenhouse gas emissions	5,092.45	5,448.74	1,213.48	1,185.93	3,878.97	4,262.81	274.14	137
Total Scope 1 and location-based Scope 2 gross greenhouse gas emissions	5,876.03	2,496.13	1,685.16	489.51	4,190.87	2,006.62	258.55	137

CO ₂ , Goods and services	Frauenthal Automotive		Frauenthal Gnotec		Frauenthal Airtank		Frauenthal Gnotec Sweden	
	2025	2024	2025	2024	2025	2024	2025	2024
Purchased goods and services	179,007.21	133,039.27	150,153.68	110,283.83	28,853.53	22,755.44	109,662.19	63,999.00
Waste generated in operations S3T	15,117.27	48,463.94	13,246.2	47,116.54	1,871.07	1,347.4	3	31,509

Waste management

Waste is a key metric for Frauenthal Automotive due to our stamping processes, where raw materials generate offcuts and scrap.

Scrap represents the largest share of our waste, with close to 100% recycled and reintroduced into the material cycle. We also continue to improve the handling and recycling of plastics and packaging materials such as paper and cardboard.



Environment

Energy and emissions reduction initiatives

Frauenthal Automotive continuously implements measures to improve energy efficiency, increase the share of renewable energy, and reduce greenhouse gas emissions across its operations.

Key initiatives implemented in 2025 include:

- **Energy efficiency in operations (Sweden):** Replacement of electric heaters in material storage with energy-efficient Aerotemper units, resulting in reduced electricity consumption.
- **Transport electrification (Sweden):** Expansion of on-site charging infrastructure to support the transition to hybrid and electric vehicles, contributing to lower transport-related CO₂ emissions.
- **Renewable electricity (China):** Increased share of renewable electricity through connection to a local grid supplied by roof-mounted solar panels, reducing indirect (Scope 2) emissions.
- **Water management (Germany):** Implementation of improved measurement and accounting of process water to enhance monitoring, control consumption, and optimize water-related costs.
- **Energy efficiency in production (Germany):** Optimization of the painting process through additional insulation of the oven and adjustment of operating temperatures, resulting in reduced energy consumption and lower natural gas-related emissions.

These initiatives were implemented at site level and form part of Frauenthal Automotive's ongoing efforts to improve resource efficiency, reduce emissions, and strengthen environmental performance.

Biodiversity

We conduct a risk assessment for any changes to our activities to evaluate their potential impacts on biodiversity and the environment.

This year, no changes have been implemented that would have affected biodiversity.

Emissions

During 2025, Frauenthal Automotive continued its preparations for CSRD implementation. In this context, the Group further refined its sustainability approach, including updates to its CO₂ calculation

methodology, reporting structure, and underlying data models within its reporting templates and consolidation system.

These improvements aim to enhance data accuracy, transparency, and consistency in emissions reporting across the Group.

Frauenthal Automotive reduced its Scope 1 and market-based Scope 2 CO₂ emissions in 2025 compared to 2024, reflecting continued progress in improving energy efficiency and lowering our carbon footprint. At the same time, the 2025 reporting covers a significantly broader scope,

following an update of our calculation methodology to include additional categories such as purchased services, use of sold products, and end-of-life treatment.

EU-taxonomy

Based on internal assessment, the Group's activities fall below the EU Taxonomy materiality threshold of 10%, and therefore no detailed EU Taxonomy disclosures are required for the reporting year.

Energy consumption and energy mix	Frauenthal Automotive		Frauenthal Gnotec		Frauenthal Airtank		Frauenthal Gnotec Sweden	
	2025	2024	2025	2024	2025	2024	2025	2024
Fuel consumption from coal and coal products (MWh)	0	0	0	0	0	0	0	0
Fuel consumption from crude oil and petroleum products (MWh)	1,016.28	1,055.20	959.16	863.49	57.12	191.71	322	0
Fuel consumption from natural gas (MWh)	9,014.75	10,778.47	1,046.64	913	7,968.11	9,865.47	464	0
Fuel consumption from other fossil sources (MWh)	0	0	0	0	0	0	0	0
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	3,478.16	4,915.94	542.35	1,430.25	2,935.81	3,485.69	0	0
Total fossil energy consumption (MWh) (sum of rows 1 to 5)	13,509.19	16,749.61353	2,548.15	3,206.743405	10,961.04	13,542.87012	786	0
Share of fossil sources in total energy consumption (%)	52.3	56.9	23.3	28.6	73.7	74.5	0	0
Consumption from nuclear sources (MWh)	4,553.05	3,245.22	3,238.99	1,151.54	1,314.06	2,093.68	3,154.38	0
Share of consumption from nuclear sources in total energy consumption (%)	17.6	11	29.6	10.2	8.8	11.4	48.6	0
Fuel consumption from renewable sources, including biomass (also industrial and municipal waste of biological origin, biogas, hydrogen from renewable sources, etc.) (MWh)	835.14	891.54	835.14	791	0	100.54	561	791
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	6,478.08	8,387.4	4,109.69	6,006.05	2,368.39	2,381.35	1,804	5,431
Consumption of self-generated renewable energy not involving fuels (MWh)	405.98	163.06	182.06	44.08	223.92	118.98	182	44
Total renewable energy consumption (MWh) (sum of rows 8 to 10)	7,719.2	9,442	5,126.89	6,841.13	2,592.31	2,600.87	5,701.87	6,266
Share of renewable sources in total energy consumption (%)	29.9	32	46.9	61	17.4	14.2	87.8	0.99
Total energy consumption (MWh) (sum of rows 6 and 11)	25,781.44	29,436.83	10,914.03	11,199.41	14,867.41	18,237.42	6,487.86	6,310.99



Social

The management approach aims to minimize potential negative impacts on society through the implementation of resource-efficient and environmentally responsible processes, as further described in other sections of this report. In addition, Frauenthal Automotive prioritizes the provision of a safe and supportive working environment. The objective is to ensure that employees experience a high level of safety, well-being, and trust within the organization.

Benefits within Frauenthal Automotive

Frauenthal Automotive provides a range of employee benefits, consisting of both standardized group-wide offerings and locally adapted arrangements. These benefits include:

- Life insurance
- Healthcare
- Disability and invalidity coverage
- Parental leave
- Retirement provision
- Support for training and development activities
- Performance-related bonuses

Occupational health and safety, worker representation and worker health and safety committees

Employee representatives, including union nominees and works council members, are actively involved in occupational health and safety committees. These bodies contribute to the monitoring of safety performance, the review of accident statistics, and the definition and follow-up of corrective action plans.

Accidents, absenteeism, and work-related fatalities

All workplace incidents are systematically recorded in the Group's production data acquisition systems. In the event of reportable incidents, structured investigations and root cause analyses are conducted, followed by the implementation of corrective and preventive measures.

Workers with high incidence or high risk of occupational diseases

No material incidence or elevated risk of occupational diseases has been identified within Frauenthal Automotive Group. Preventive measures focus on continuous training, awareness programs, and regular communication to reduce risks and prevent accidents. Monitoring processes include regular updates and follow-ups by responsible functions. Incident-related actions are documented and tracked to ensure effective implementation. These processes also apply to leased personnel, ensuring compliance with applicable legal requirements.

Preventive measures further include the provision of appropriate personal protective equipment, such as hearing protection, safety footwear, respiratory protection, and protective clothing.

Health and safety topics in formal agreements and employee support

Occupational health and safety topics are governed by applicable legislation, collective agreements, and internal policies. Frauenthal Auto-

motive provides access to occupational health services, including health checks, workplace-related preventive measures, and training activities.

Training and education

In 2025, Frauenthal Automotive continued to implement digital training initiatives aimed at strengthening operational efficiency and organizational capabilities. In parallel, targeted training related to sustainability and regulatory requirements, including CSRD, was further developed. These initiatives were partly conducted in collaboration with external partners, supporting knowledge sharing and alignment with evolving regulatory standards.

Employee skills development

Frauenthal Automotive supports continuous skills development and internal mobility. Employees are offered training programs to enhance competencies and enable transitions into roles requiring additional qualifications. While no formal early retirement program is in place, individual arrangements may be agreed where applicable.

Accidents, absenteeism and work-related fatalities

	Gnotec	Airtank	Gnotec Sweden
Total number of personnel (end of period)	653	299	276
Total number of personnel (average)	634	305	240
Total industrial accidents (injuries)	15	1	13

Social

Workers in the value chain

Frauenthal Automotive expects, and requires, its business partners to meet all of the following requirements in the course of their business relationship with Frauenthal Automotive. We also expect these requirements to be managed in a professional and systematic manner.

Frauenthal Automotive is committed to responsible business conduct and aims to demonstrate this commitment to integrity, business responsibility, and trust throughout its value chain. Accordingly, Frauenthal Automotive expects the same level of commitment from its business partners.

By entering into a business relationship with Frauenthal Automotive, business partners are required to:

- Conduct their business in compliance with all applicable laws and regulations (which requires maintaining awareness of such laws and regulations), as well as with the principles set out in our Code of Conduct; and
- Ensure that their employees and subcontractors are informed of, and comply with, applicable laws and regulations as well as the principles set forth in our Code of Conduct.

Business partners are further expected to select their own suppliers related to Frauenthal Automotive business with appropriate due diligence, communicate the principles outlined in this Code (or equivalent principles) to their suppliers, and ensure compliance with these principles. This Code includes requirements based on internationally recognized standards that Frauenthal Automotive strongly supports, including:

- The Ten Principles of the UN Global Compact, covering human rights, labor, environment, and anti-corruption.

Customer health and safety

Product safety and sustainable product innovation are ensured through structured processes and controls. Safe and efficient products are supported by:

- ISO certifications
- Customer audits
- Regular inspection and measurement of products during production



Governance

Business conduct

During the reporting period 2025, no incidents of non-compliance with applicable laws and regulations in the social and economic area were identified. Consequently, no fines, penalties, or sanctions were imposed on Frauenthal Automotive.

Frauenthal Automotive maintains a compliance framework aimed at preventing, detecting, and addressing risks related to business conduct, including anti-corruption and anti-bribery. The framework is supported by internal policies, defined control procedures, and regular monitoring activities.

Key elements of the compliance system include:

- Periodic internal audits
- Risk assessments related to corruption and fraud
- Ongoing monitoring of compliance with applicable legal and regulatory requirements

Management is responsible for overseeing the effectiveness of these processes and ensuring continuous improvement of the Group's governance and compliance practices.

Supplier environmental assessment

To ensure our suppliers work with the same level of commitment as we do, we conduct assessments, audits and work with supplier certificates. Our Code of Conduct for business partners (mentioned earlier in the report) sets forth the business principles that Frauenthal Automotive requires all its Business Partners to abide by in the course of their relationship with Frauenthal Automotive.

Anti-corruption

Our approach and work philosophy

Trust is a fundamental core value at Frauenthal Automotive. We actively emphasize and reinforce this value through consistent communication within our organization. Our Code of Conduct serves as a guiding principle, and we regularly discuss the importance of Trust in our team meetings. This continual dialogue is integral to our way of working, fostering an environment built on transparency, reliability, and collaboration.

Whistleblower function

At Frauenthal Automotive, we place high value on being informed about any observed or suspected violations of our policies. We treat such information with the seriousness it deserves, ensuring an appropriate level of integrity to safeguard against any form of retaliation towards individuals who genuinely raise concerns or cooperate in a company investigation.

Our whistleblower function is easily accessible at www.gnotec.com/tellus, providing a secure platform for reporting concerns confidentially. We are committed to fostering a culture of transparency and accountability, where every individual's input is essential for maintaining the highest standards of integrity within our organization.

Operations assessed for risks related to corruption

The management's approach to minimizing corruption risks includes the implementation of the four-eyes principle, particularly in payment processes across the Group. The Delegation of Authority (DoA) is reviewed and updated annually.

The CEO of Frauenthal Automotive holds overall responsibility for anti-corruption measures.

In line with these measures, our commitment to anti-corruption was further supported by the continued rollout of Code of Conduct training programs. These initiatives aim to educate employees on corruption risks and provide guidance on handling situations where such risks may arise. By strengthening awareness of ethical standards, we support a culture that actively contributes to preventing corruption.

Confirmed incidents of corruption and reports

0

Incidents of corruption

0

Whistleblower reports, including human rights concerns







Our employees,
the foundation of
our success





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