

**Sto SE & Co. KGaA,
Stühlingen/Germany**

**Remuneration report in accordance with
Section 162 of the German Stock
Corporation Act (AktG) for the financial
year running from
1 January to 31 December 2023**

Remuneration report of Sto SE & Co. KGaA in accordance with Section 162 of the German Stock Corporation Act (AktG)

I. Preliminary remark

This remuneration report explains the remuneration paid to the members of the Sto SE & Co. KGaA Supervisory Board, and the liability remuneration and expense allowance paid to STO Management SE as the personally liable partner. It also explains the payments made to the members of the executive body of the legal predecessor of Sto SE & Co. KGaA. This remuneration report constitutes a report in accordance with Section 162 of the German Stock Corporation Act (AktG) as amended by the 'Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie (ARUG II)' (Act Implementing the Second Shareholders' Rights Directive). In addition, the recommendations of the Deutscher Corporate Governance Kodex (German Corporate Governance Code, DCGK) and the regulations of the German Commercial Code (HGB) have been followed. Due to the legal form of organisation, Sto SE & Co. KGaA does not have an Executive Board, with the result that parts of Section 162 of the German Stock Corporation Act (AktG) are not applicable pursuant to Section 278 (3) of the German Stock Corporation Act (AktG).

II. Remuneration of the Supervisory Board:

The remuneration of the Supervisory Board has been set by means of a unanimous confirmatory resolution passed by the Annual General Meeting on 22 June 2022 and is governed accordingly by Section 11 of the Articles of Association of Sto SE & Co. KGaA. In accordance with Section 11 of the Company's Articles of Association, the Supervisory Board members receive a fixed annual remuneration in the amount of EUR 35,000.00 for each full year of membership that they complete which is payable after the end of the financial year. Alongside the remuneration, the members of the Supervisory Board will receive the following additional annual fixed remuneration for each full year of membership that they complete as a holder of the following position(s):

- a) Chairmanship of the Supervisory Board EUR 70,000.00;
- b) Deputy Chairmanship of the Supervisory Board EUR 25,000.00;
- c) Chairmanship of the Audit Committee EUR 25,000.00;
- d) Chairmanship of the Finance Committee EUR 25,000.00;
- e) Chairmanship of the Nomination Committee EUR 10,000.00;
- f) Membership of the Audit and/or Finance Committee without chairmanship of either of these committees EUR 10,000.00 per committee;
- g) Membership of the Nomination Committee without chairmanship of this committee EUR 5,000.00.

If the Supervisory Board member has chairmanship of more than one committee, they are only owed the highest applicable additional amount – out of the additional amounts according to letters c) to e) above – for serving as a chairperson; furthermore, the respective member will merely receive the remuneration due to a committee member in accordance with letters f) or g) above for their other chairperson role(s). If the Supervisory Board sets up further committees, participation in these committees is already covered by the fixed remuneration.

This fixed remuneration without any variable performance-based component – which is not affected by any fluctuations in business development – is deemed appropriate by the Company. This remuneration takes into account the responsibility and scope of activity of the Supervisory Board members. By carrying out its duty to supervise how the personally liable partner STO Management SE manages the business, the Supervisory Board makes a major contribution to the advancement and long-term development of the Company. No further form of compensation exists and there are no arrangements for remuneration to be paid subsequent to the periods of office.

Thus, the remuneration amounts granted and owed to the Supervisory Board for the 2023 financial year are as follows:

Name of the Supervisory Board member in the 2023 financial year	Function from 22 June 2022	Fixed basic remuneration in EUR / share of total remuneration in %	Remuneration for function in EUR / share of total remuneration in %	Total remuneration in EUR for 2023 / difference compared to 2022 in %	Total remuneration in EUR for 2022 (previous year)
Maria H. Andersson	Member of SB Chairperson of FC	35,000.00 / 58.3	25,000.00 / 41.7	60,000.00/ + 8.1	55,500.00
Thade Bredtmann	Member of SB Member of AC	35,000.00 / 77.8	10,000.00 / 22.2	45,000.00 / 0*	22,500.00*
Klaus Dallwitz	Member of SB	35,000.00 / 100.0	--	35,000.00 / 0*	17,500.00*
Catharina van Delden	Member of SB	35,000.00 / 100.0	--	35,000.00 / 0*	17,500.00*
Petra Hartwig	Member of SB	35,000.00 / 100.0	--	35,000.00 / 0*	17,500.00*
Frank Heßler	Member of SB	35,000.00 / 100.0	--	35,000.00 / + 12.9	31,000.00
Niels Markmann	Member of SB Deputy Chairperson of SB Member of FC	35,000.00 / 50.0	35,000.00 / 50.0	70,000.00/ + 44.3	48,500.00
Barbara Meister	Member of SB Member of AC Member of FC	35,000.00 / 63.6	20,000.00 / 36.4	55,000.00 / + 32.5	41,500.00
Dr Renate Neumann-Schäfer	Member of SB Chairperson of AC	35,000.00 / 58.3	25,000.00 / 41.7	60,000.00/ + 8.1	55,500.00
Prof Dr Klaus Peter Sedlbauer	Member of SB Member of NC	35,000.00 / 87.5	5,000.00 / 12.5	40,000.00/ + 17.6	34,000.00
Dr Kirsten Stotmeister	Member of SB Member of AC Member of FC Member of NC	35,000.00 / 58.3	25,000.00 / 41.7	60,000.00/ 0*	30,000.00*
Peter Zürn	Member of SB Chairperson of SB Chairperson of NC	35,000.00 / 30.4	80,000.00 / 69.6	115,000.00/ + 62.0	71,000.00

SB = Supervisory Board; AC = Audit Committee; FC = Finance Committee; NC = Nomination Committee

* = 2022 only from 1 July 2022 and therefore pro rata temporis (0.5)

III. Remuneration of the personally liable partner:

1. Background

Sto SE & Co KGaA (referred to below as the '**Company**') is a 'Kommanditgesellschaft auf Aktien', which is a German legal form that is roughly equivalent to a partnership limited by shares. Due to the legal form of organisation, a 'Kommanditgesellschaft auf Aktien' does not have an Executive Board. The tasks normally performed by the Executive Board of a an 'Aktiengesellschaft' (public limited company) are instead performed by the personally liable partner because of statutory provisions contained within the German Stock Corporation Act (AktG). The sole personally liable partner of the Company is STO Management SE, which acts through its management body and is therefore responsible for managing the Company's business. For this, the personally liable partner does not receive any remuneration of the kind paid to an Executive Board under a contract for services within the meaning of Section 162 of the German Stock Corporation Act (AktG). Rather, it receives an expense allowance in accordance with Section 6 (3) and (4) of the Articles of Association of Sto SE & Co. KGaA and a liability remuneration conforming to the Articles of Association.

2. Liability remuneration

In accordance with Section 6 (4) of the Company's Articles of association, the liability remuneration amounts to 4 % of the personally liable partner's share capital, equating to EUR 40 K per year.

3. Expense allowance

In accordance with Section 6 (3) of the Company's Articles of association, the personally liable partner receives reimbursement of all the expenses it incurs in connection with managing the Company's business, which includes remuneration of the members of the executive body of the personally liable partner.

This complies with the statutory provisions contained in the German Stock Corporation Act (AktG). In the 2023 financial year, the expense allowance paid to STO Management SE totalled EUR 5,969 K (previous year: EUR 5,370 K). The expense allowance can be broken down into the following components: the remuneration paid to the members of the management body (Executive Board) of STO Management SE as the personally liable partner, the remuneration paid to

the supervisory body (Supervisory Board) of STO Management SE as the personally liable partner, and the miscellaneous expense allowance.

a) Expense allowance for the management body:

In the 2023 financial year, the current due payments for this totalled EUR 4,077 K (previous year: EUR 3,951 K). The long-term-incentive payments, which are also due in the short term, amounted to EUR 338 K (previous year: EUR 448 K). The current and non-current payments due amounted to a total of EUR 4,415 K (previous year: EUR 4,399 K). Expenses for future benefits after terminating the employment relationship (current service cost) amounted to EUR 409 K (previous year: EUR 322 K). The total remuneration for the members of the STO Management SE management body thus amounts to EUR 4,824 K (previous year: EUR 4,721 K).

b) Expense allowance for the supervisory body:

In the 2023 financial year, the expense allowance paid to STO Management SE to cover the remuneration of the STO Management SE Supervisory Board amounted to EUR 195 K (previous year: EUR 178 K).

c) Miscellaneous expense allowance:

In the 2023 financial year, the miscellaneous expense allowance paid to STO Management SE amounted to EUR 950 K (previous year: EUR 471 K).

IV. Remuneration of the members of the Executive Board of Sto Aktiengesellschaft as the legal predecessor

The Company's legal predecessor, Sto Aktiengesellschaft (entered in the commercial register of Freiburg i.Br. district court under no. HRB 620675), had an Executive Board until its transformation of legal form in accordance with Section 190 ff. of the German Transformation Act (Umwandlungsgesetz, UmwG) was completed and it became Sto SE & Co. KGaA on 26 March 2014; when the transformation took effect, the respective Executive Board office ceased to exist by operation of law.

The members of the Sto Aktiengesellschaft Executive Board were granted pension benefits in the form of a defined benefit plan.

The former members of the Executive Board of Sto Aktiengesellschaft with their remuneration granted and owed in the 2023 financial year are listed below. However, those who were only members for the last time before the expiry of ten years after the end of the financial year in which the respective member ceased to be a member of the Executive Board are not listed:

in EUR	Total remuneration for 2023 / <i>difference between 2023 and 2022</i> <i>in %</i>	Total remuneration for 2022 (previous year)
Jochen Stotmeister	218,196.78 / 7.0 %	203,957.10
Gerd Stotmeister	167,525.58 / 7.0 %	156,592.68

V. Annual change in remuneration, the Company's development of income, and the average employee remuneration over a 5-year period¹

The table below shows various percentages that express the annual change in remuneration, in the Company's development of income, and in the average remuneration paid to employees (calculated on a full-time equivalent basis) over the past five financial years. The group of employees included in the comparison consists of all active employees remunerated in accordance with the Sto collective bargaining system but excludes the employees of Sto SE & Co. KGaA not covered by the collective bargaining agreement. The reason for excluding the employees not covered by the collective bargaining agreement is to prevent variable salary components of those employees from distorting the calculated average.

Annual change compared to previous year in %	2023	2022	2021
Executive Board remuneration	There is no Executive Board due to the legal form of organisation	There is no Executive Board due to the legal form of organisation	There is no Executive Board due to the legal form of organisation
Supervisory Board remuneration, total	9.5 %	18.2 %	-0.6 %
Group earnings after taxes in accordance with IFRS	-3.7 %	- 5.9 %	17.3 %
Sto SE & Co. KGaA's net profit for the year in accordance with the German Commercial Code (HGB)	12.1 %	33.1 %	-34.6 %
Employee remuneration calculated on a full-time equivalent basis	1.7 %	3.4 %	1.1 %

¹In accordance with the transitional regulation of Section 26j (2) sentence 2 Einführungsgesetz zum Aktiengesetz (introductory act of the German Stock Corporation Act, EGAktG), only the average remuneration over the period since the 2020 financial year is to be included in the comparative analysis until the end of the 2025 financial year and not the average remuneration of the last five financial years.

On behalf of the personally liable
partner of Sto SE & Co. KGaA
STO Management SE



Désirée Konrad
Chief Financial Officer



Rainer Hüttenberger
Chief Executive Officer



Peter Zürn
Chairman of the Supervisory Board

Report of the independent auditor on the formal audit of the remuneration report pursuant to § 162 Abs. 3 AktG

To Sto SE & CO. KGaA, Stühlingen

Opinion

We have formally audited the remuneration report of the Sto SE & CO. KGaA, Stühlingen, for the financial year from January 1st to December 31, 2023 to determine whether the disclosures pursuant to § [Article] 162 Abs. [paragraphs] 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

Basis for the opinion

We conducted our formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG and IDW [Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG (IDW AuS 870 (09.2023)). Our responsibility under that provision and that standard is further described in the “Auditor's Responsibilities” section of our auditor’s report. As an audit firm, we have complied with the requirements of the IDW Quality Management Standard: Requirements to quality management for audit firms [IDW Qualitätsmanagementstandard - IDW QMS 1 (09.2022)]. We have complied with the professional duties pursuant to the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer - BS WP/vBP], including the requirements for independence.

Responsibility of the Management Board and the Supervisory Board

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor's Responsibilities

Our objective is to obtain reasonable assurance about whether the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to determine, through comparison of the disclosures made in the remuneration report with the disclosures required by § 162 Abs. 1 and 2 AktG, the formal completeness of the remuneration report . In accordance with § 162 Abs 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Stuttgart, April 18, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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