



Building with conscience.

2025 Annual Report

Sto SE & Co. KGaA



Sto at a glance

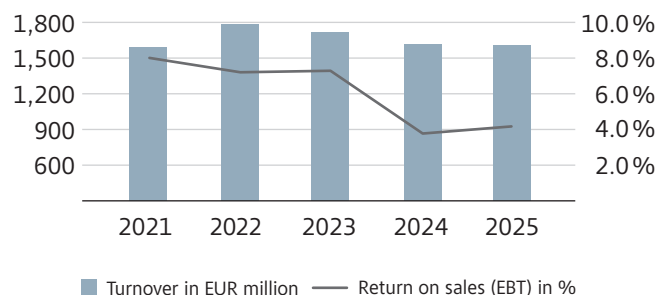
Sto Group	2021	2022	2023	2024	2025	Changes in % 25/24
Turnover	1,590.5	1,787.4	1,718.0	1,612.3	1,591.1	-1.3
Germany	692.5	761.8	716.1	653.5	645.9	-1.2
Outside of Germany	898.0	1,025.6	1,001.9	958.8	945.2	-1.4
Investments (without: financial assets and IFRS 16)	41.9	47.4	46.6	36.2	43.6	20.4
Depreciation/amortisation (without: financial assets and IFRS 16)	46.9	42.0	41.7	40.8	41.6	2.0
EBITDA	192.5	194.5	192.3	127.0	137.4	8.2
EBIT	124.5	129.7	126.5	58.8	64.4	9.5
EBT	127.9	128.3	127.4	60.9	65.3	7.2
Return on sales (EBT) (%)	8.0	7.2	7.4	3.8	4.1	
EAT	94.7	89.1	85.8	37.6	39.2	4.3
Earnings per limited ordinary share (EUR)	14.40	14.00	13.37	5.83	6.07	4.1
Earnings per limited preference share (EUR)	14.46	14.06	13.43	5.89	6.13	4.1
Cash flow from operating activities	111.4	95.3	170.9	90.5	94.5	4.4
per share (EUR)	17.34	14.83	26.60	14.09	14.71	4.4
ROCE (%)*	18.9	17.3	17.1	7.8	8.7	
Total assets and liabilities	1,084.7	1,097.7	1,164.8	1,158.3	1,163.4	0.4
Equity	610.0	685.1	729.3	743.5	762.3	2.5
in % of total assets	56.2	62.4	62.6	64.2	65.5	
Employees (year end)	5,697	5,735	5,783	5,599	5,482	-2.1
of which in Germany	3,127	3,130	3,171	3,100	3,067	-1.1
of which outside of Germany	2,570	2,605	2,612	2,499	2,415	-3.4

Sto share

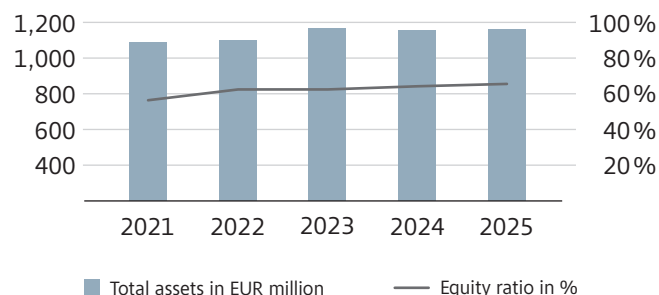
Dividend per limited ordinary share (EUR)**	0.25/4.69	0.25/4.69	0.25/4.69	0.25/3.00	0.25/3.00
Dividend per limited preference share (EUR)**	0.31/4.69	0.31/4.69	0.31/4.69	0.31/3.00	0.31/3.00
Price-to-earnings ratio (31 Dec)	15.3	10.7	10.4	18.2	19.8
Price-to-book ratio (31 Dec)	2.3	1.4	1.2	0.9	1.0

(Figures in EUR million unless otherwise indicated)

Development of P&L data



Development of balance sheet data



* ROCE = EBIT divided by average capital employed.

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

** 2025: proposal by the personally liable partner STO Management SE and the Supervisory Board of Sto SE & Co. KGaA.

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

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About the title image:

In Zuidas, Amsterdam's fast-growing business district, the project team led by VMX Architects has realised a highly visible urban building block. With 'The Pulse', a perimeter block development with two towers has been created in the new neighbourhood, combining office and residential use in one project. The striking, three-dimensional and highly energy-efficient facade of the residential tower was insulated with the StoTherm Mineral system. With the StoCleyer B mineral flat facing brick slips, the desired brick look could be realised as a continuous surface with low weight on the high-rise residential building.

Photo: Marcel van der Burg, Amsterdam, NL

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

Foreword



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

Dear Shareholders,

Sto has stood for technologically leading, intelligent products and systems for over 70 years. We embody stability, while at the same time being progressive and innovative. In 2025, we were awarded the title of world market leader for external thermal insulation composite systems for the seventh time in a row. This proves how consistently our employees work and research at the highest level, and it demonstrates our good market position, which is characterised by excellent cooperation with our target groups and is based on sound technical expertise. This is particularly significant in challenging times such as those we are currently experiencing.

A wonderful example of how we are realising our vision 'Technology leader for the sustainable design of living space tailored to human needs. Worldwide.' into concrete, successful solutions is the product StoLevell Neo AimS. Not only are we very proud of this new development, it was also honoured by an independent jury with the 'German Sustainability Award for Products 2026'. It is considered the highest European award for ecological and social commitment. StoLevell Neo AimS is the first 100 % cement-free mineral bonding and reinforcing mortar. Its special feature is the fact that CO₂ emissions

are reduced by around 50 % during manufacturing, by dispensing with the usual use of cement. It was important to us to retain the excellent application properties that our customers have come to expect from Sto.

The cement-free mortar is part of our AimS line, which stands for sustainability in a special way. All components of this system are based to a very large extent on renewable and sufficiently available raw materials. Significantly less crude oil is used in the production, resources are conserved and the CO₂ emissions are minimised. It can also be separated by type and returned to the circular economy. If the resource-saving mortar StoLevell Neo AimS is used in combination with a soft wood fibre insulation material, the climate footprint of the entire system is improved even further. With technologies such as the AimS line, Sto is tapping into enormous potential for existing and new use cases.

This is an example of our good prerequisites for coping with the challenges we face in a difficult environment. Not only do we have to cope with the impacts of the frightening geopolitical situation with numerous trouble spots and increasingly unpredictable political decisions, but we were and are also

confronted with very weak construction activity in many of Sto's core markets. On the other hand, the market potential is enormous – both in residential construction, where demand has been growing for years but construction activity continues to decline, and in terms of renovation measures. The rate of energy refurbishment measures in existing buildings, which undoubtedly have a very positive impact on the climate and the residents' finances, is decreasing continuously in Germany. It was 0.7 % in 2023, 0.69 % in 2024 and an even weaker 0.67 % last year. In order to achieve the 2030 climate targets, an annual renovation rate of 1.9 % would be necessary for residential buildings – we are a long way from achieving this.

The weak market development is particularly evident in our core market of facade systems, where we generate almost half of Sto's consolidated turnover: in Germany, sales of ETICS systems fell by around 7 % in 2025, the third consecutive year of decline. Neither the construction of new buildings nor the renovation sector provided any noticeable impetus, and not only in the German market: projects were also postponed or cancelled in many foreign markets such as Italy, Sweden and the USA. The demand is great, there are good opportunities for growth, but the willingness to invest is lacking.

In view of the difficult general conditions, we are nevertheless satisfied with the development of our company overall: consolidated turnover totalled EUR 1.59 billion in 2025. As expected, this was below the previous year's level, but the forecast figure of EUR 1.57 billion was slightly exceeded. Consolidated earnings, which had fallen drastically in 2024, improved in the year under review and met the forecast exactly: despite the headwinds, EBIT rose by 9.5 % in comparison to the previous year to EUR 644 million.

The increase in earnings was mainly due to the cost-saving measures we implemented in response to the decline in sales. In order to reduce the pressure, we have reduced expenses in all areas of the company worldwide, achieved savings on purchasing conditions and improved our process efficiency. In the personnel area, we countered the lower capacity utilisation with short-time work at Sto SE & Co. KGaA in the first two months of the year. At the end of March 2025, we set out the collective bargaining structure for 2025 and 2026 for employees at Sto SE & Co. KGaA and StoCretec GmbH in what is known as the pact for the future (Zukunftspakt). This agreement not only made a significant contribution to the improvement in earnings in the past year, but also secures employment and is an impressive example of social partnership in action. Many thanks to all affected employees and the Works Council!

If we continue to pull together in such an exemplary manner, we are confident that the Sto Group will continue to prove

reliable and strong in the future. We are currently seeing small glimmers of hope in terms of building permits in Germany. They rose slightly again in 2025 after three years of declining significantly, with single-family homes in particular and multi-family homes also rising at the end of the year. Permits are an important indicator of future construction activity, with projects in our industry having a long lead time. In our core area of facades in particular, an increase only leads to positive turnover effects with a time lag. However, due to geopolitical developments, in particular the war between Iran, Israel and the USA, we have to question the potential market recovery unless this is brought to an end in the near future.

In addition to geopolitical relaxation, we need planning security and reliability above all to ensure that the willingness to invest picks up again and the existing market potential can be utilised. Companies and institutions as well as private individuals only invest if the projects are reliable. Construction of new buildings and refurbishment projects will only be launched once the underlying regulations and funding conditions have been finalised. That's why we need clear conditions.

The lengthy and tedious nature of the legislative process is demonstrated, for example, by the implementation of the EU Energy Performance of Buildings Directive (EPBD). It came into force in 2024 and regulates the requirements for the improvement of overall energy efficiency and the reduction of greenhouse gas emissions from buildings. Among other things, the EPBD obliges member states to ensure a climate-neutral building stock by 2050. This is very good, because it should provide impetus for refurbishment measures and, accordingly, for Sto. It must actually be transposed into national law by the end of May 2026. However, Germany and many other European countries are lagging considerably behind schedule and there are repeated attempts to postpone the deadline or water down key aspects. Investors will continue to wait and see as long as discussions continue.

The awareness that a reliable statutory framework needs to be created is certainly there. 'Business as usual' is not an option, and politicians have realised this. In February 2026, after lengthy discussions, the German government agreed on key points for the Building Modernisation Act, which was set out in the coalition agreement. It will replace the previous German Buildings Energy Act, the so-called 'Heating Act'. There are delays here, too, and the compromise reached is controversial, especially with regard to climate protection. In addition, the key points formulated so far leave many questions unanswered – particularly with regard to the building envelope.

On the one hand, the discussion about rising energy costs as a result of the war in Iran, which is gaining momentum, is raising

public awareness of the issue of building energy efficiency and could accelerate political decisions. On the other hand, the negative impacts that could result from the ongoing war between Iran, Israel and the USA described in the Risk report, which was still going on at the time of compiling the management report, become more likely as the armed conflicts continue and expand. The magnitude of the impact cannot be reliably quantified at this time. As the uncertainties in general conditions are currently increasing, we expect only slight growth in turnover to EUR 1.62 billion in 2026. We are forecasting a range of EUR 56 million to EUR 76 million for EBIT and between EUR 55 million and EUR 75 million for earnings before taxes (EBT). The return on sales in relation to EBT should therefore be between 3.3 % and 4.7 %.

Advanced thinking and trust in reliable values – at Sto, this understanding is represented above all by the topic of sustainability. It has always been one of the foundations of our company, which is also reflected in our mission 'Building with conscience.' Sustainability is a core competence of our company, it runs through all areas of influence and stages of the value chain and results solely from our business activities. With the products of our core business of facade systems, Sto makes a significant contribution to reducing the energy consumption of buildings. Our 'tank diagram' clearly shows the positive impact our systems have on climate protection:

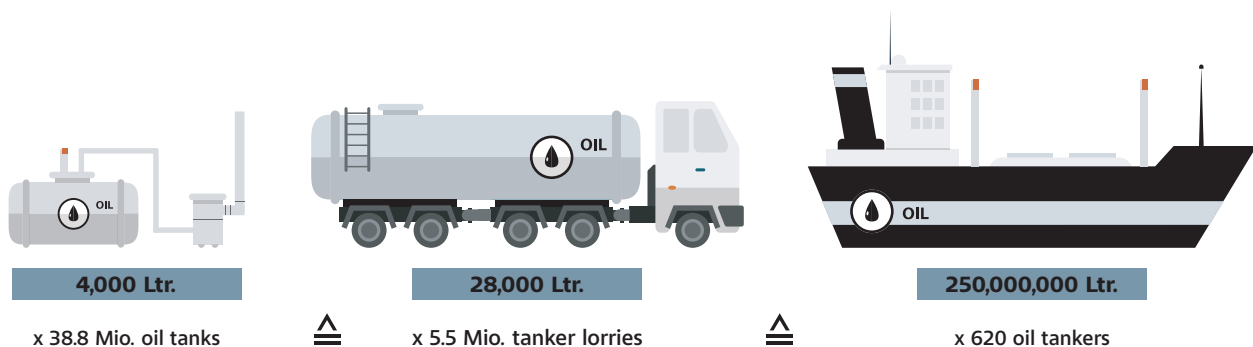
Sustainability is and remains a core aspect of our corporate strategy, which we have further developed and updated in 2025. At the end of the strategy process, we defined six fundamental targets that will determine our way until 2030. We have also defined ten initiatives to help us achieve our targets. Now it's time for implementation.

To achieve this, we once again need the drive of our employees, of whom we are very proud. In 2025, our employees again mastered the challenges and contributed to the company's goals with exceptional commitment and a great deal of initiative. On behalf of the entire Executive Board, I would like to express my sincere thanks and hope that this great team spirit will continue.

The Executive Board changed again at the end of the year 2025. After more than 33 years with our Group, Michael Keller has retired. He shaped our company in particular through his market knowledge, his close bond with our target groups and his high level of expertise. We would like to thank him warmly for his services and wish him all the best for the future. His duties were distributed among the other members, meaning that the Executive Board of STO Management SE has been reduced to three people.

Thermal insulation helps to protect the environment

From 1965 until today, the energy savings from the use of Sto facade insulation systems correspond to around 155 billion litres of heating oil



Between 1965 and 2025, Sto facade insulation systems saved around 155 billion litres of heating oil worldwide.* This corresponds to the load of 38.8 million oil tanks with 4,000 litres of content each or 5.5 million tanker lorries with a capacity of 28,000 litres each or 620 oil tankers with a capacity of 250 million litres. The CO₂ savings are also impressive: our systems have saved around 495 million tonnes of greenhouse gas over the last 60 years. Looking at the year 2025 alone, around 26 million tonnes of CO₂ were not released into the atmosphere.

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

Sto has a stable foundation, draws on tradition and looks consistently to the future. In the 70 years of our company's history, we have always managed to successfully adjust our course and create pioneering solutions at the highest level based on our strengths. Our strategic targets are designed to capitalise on the opportunities for growth that our markets offer – which puts us in an excellent position. We would like to thank our business partners and customers for their excellent cooperation – as well as our shareholders, who have placed their trust in us.

Yours,

A handwritten signature in black ink, appearing to read 'R. Hüttenberger', with a stylized flourish extending to the right.

Rainer Hüttenberger

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

Report of the Supervisory Board

Members of the Supervisory Board

Peter Zürn

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

Niels Markmann*

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

Maria H. Andersson

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

Thade Bredtmann*

Pfalzgrafenweiler/Germany, Region Head, Sto SE & Co. KGaA, Member of the Supervisory Board since 22 June 2022, Member of the Audit Committee

Klaus Dallwitz*

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

Catharina van Delden

Colonia/Uruguay, Managing Director, Member of the Supervisory Board since 22 June 2022

Sonja Dif*

Freiburg/Germany, Managing Director, IGBCE District Manager for the district of Freiburg/Germany, Member of the Supervisory Board since 15 May 2025

Petra Hartwig*

Bad Zwesten/Germany, Trade Union Secretary at IGBCE, IGBCE District Manager for the district of Kassel/Germany, Member of the Supervisory Board from 22 June 2022 to 25 April 2025

Frank Heßler*

Mannheim/Germany, Political Trade Union Secretary at IGBCE, Member of the Supervisory Board since 14 June 2017

Barbara Meister*

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

Prof Dr Klaus Peter Sedlbauer

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

Dr Kirsten Stotmeister

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

Rolf Wöhrle

Bad Dürkheim/Germany, Board Member, Member of the Supervisory Board since 19 June 2024, Chairperson of the Audit Committee since 19 June 2024

* Employee representatives



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

Dear Shareholders,

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

The Supervisory Board's work and deliberations centred on the current situation and business development of the individual company and the Sto Group, business policy, planning including financial, investment and personnel planning, the financial

situation and income situation, opportunities and risks, risk management, changes in general conditions, the compliance situation and issues relating to the sustainability of the Sto Group and its products. Decisions or actions taken by the Executive Board of the personally liable partner were examined and conscientiously discussed by the members of the Supervisory Board, regularly based on the preparatory work of the relevant committees as well as extensive documents and background information. In decisions that were of crucial importance, the Supervisory Board was always involved immediately.

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

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

Key issues dealt with and committee work by the Supervisory Board

Five ordinary Supervisory Board meetings were held in the 2025 financial year: on 24 April, 24 July, 23 October and 16 December 2025 as well as before the Annual General Meeting on 18 June 2025. The Supervisory Board was always quorate and able to pass resolutions.

As part of a special organisational meeting on 30 January 2025, the Supervisory Board took an in-depth look at the efficiency of its work and the areas in which there was potential for improvement; this involved an efficiency review in accordance with Item D.12 of the German Corporate Governance Code. Additionally, issues relating to the efficiency of activities and monitoring were addressed in regular meetings of the Supervisory Board, even if the Executive Board of the personally liable partner was not able to attend.

At the organisational meeting on 30 January 2025, the Supervisory Board obtained in-depth information on current topics and requirements relating to Supervisory Board activities from internal and external advisors appointed by it. These training courses, which were organised at the company's expense, focused on current legal developments relating to the requirements for Supervisory Board members, the Corporate Sustainability Reporting Directive (CSRD) and the Sto Group's compliance management system (CMS), as well as the current funding policy in the field of energy refurbishment and building engineering. As part of an explanatory plant and production tour, the Supervisory Board visited the site of the subsidiary Liaver GmbH & Co. KG in Ilmenau/Germany at the meeting on 24 July 2025. Strategy, product and industry specifics as well as the economic situation, opportunities and risks of the company at this location were also discussed in detail.

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

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

At all meetings held in 2025, the Supervisory Board dealt intensively with the market situation and the current development of the Sto Group, Sto SE & Co. KGaA, the regional segments, and the associated Sto companies. The company's strategy, opportunities and risks, personnel and financial matters, compliance issues, investments and Group planning were also discussed on an ongoing basis. Other dominant topics of the Supervisory

Board's work in 2025, which the committees discussed intensively on several occasions during the reporting period and debated possible measures, were the tense general economic conditions and the difficult economic and market situation in individual regions and product segments of the Sto Group. One focus was on the status and development of defined Group companies such as the Ströher Group in Germany and the consequences of developments in relation to Sto Ltd., which was deconsolidated in December 2024, and Skyrise Prefab Building Solutions Inc. in Canada. The distortions and uncertainties in some of Sto's key markets due to the global macroeconomic uncertainty caused by conflicts and tariffs, their direct and indirect consequences for the construction and real estate sector as a whole and the investment backlog in the building sector in core markets such as Germany and Italy were also recurring themes. A main factor in numerous markets was the continuing reluctance of private and public building owners to invest.

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

In addition to the regular topics, the focus of the first ordinary meeting on 24 April 2025 was on discussing the annual financial statements and management report of Sto SE & Co. KGaA, the consolidated annual financial statements and the Group management report, as well as the Sustainability Report, each for the 2024 financial year. The details discussed in the Audit Committee were incorporated. The auditor reported on their audit at this Supervisory Board meeting and explained the focal points of the audit. The Chairperson of the Audit Committee, who had looked at the documents in depth beforehand, also reported on the audit and the discussion of the financial statements, the sustainability report, and the dependent company report in accordance with Sections 312 et. seq. of the German Stock Corporation Act (AktG). The Executive Board of the personally liable partner STO Management SE reported on the other mandatory publications, in particular the Corporate governance report and sustainability report. The non-financial statements, in particular the statements and disclosures made on Sustainability and Corporate Social Responsibility, were also discussed and reviewed by the Supervisory Board. The approval of the Remuneration report in accordance with Section 162 of the German Stock Corporation Act (AktG) was another subject of deliberation. Following detailed discussions and based on its own extensive audit, the Supervisory Board approved the Annual financial statement of Sto SE & Co. KGaA and the Consolidated annual financial statement of the Sto Group for the 2024 financial year, including the sustainability statement, the dependent company report, and the corporate governance

report in accordance with Section 171 of the German Stock Corporation Act (AktG).

Following a thorough debate, the Supervisory Board also resolved the report of the Supervisory Board on the 2024 financial year and the agenda for the Annual General Meeting on 18 June 2025. The Supervisory Board resolved the proposal for the appropriation of profits by the personally liable partner STO Management SE. In addition, the Supervisory Board submitted a nomination proposal to the Annual General Meeting regarding the appointment of the auditor of Sto SE & Co. KGaA (annual financial statement and consolidated annual financial statement) for the 2025 financial year. The Supervisory Board approved the Sto Group's strategic planning, including the 5-year plan for 2025 to 2029, which was discussed in detail with the incorporation of the details discussed in the Finance Committee. Other topics included significant capital and management measures, also taking into regard the development of the Ströher Group and the subsidiary VIACOR Polymer GmbH in the 2025 financial year.

The preparatory Supervisory Board meeting on 18 June 2025 primarily dealt with the Company's Annual General Meeting, which took place on that same day in Donaueschingen.

The meeting on 24 July 2025, which took place at the Sto location in Ilmenau/Germany at the Liaver GmbH & Co. KG offices as described above, focused on the business development in the first half of 2025 as well as the projection for the end of the year and the current tense development and challenges in the construction and real estate industry. Other items on the agenda included the risk inventory, the results of the 2024 European Market Infrastructure Regulation (EMIR) audit and the SAP S/4HANA project.

At its meeting on 23 October 2025 at the company's offices, the Supervisory Board dealt in particular with the projection for the 2025 financial year and the current business development in the first three quarters. This discussion centred on the slow revival of the construction industry in key markets, the TOM (Target Operating Model) and SAP S/4HANA projects as well as opportunities in connection with the automated application of external thermal insulation composite systems.

The focus of the last Supervisory Board meeting on 16 December 2025 was the planning for the financial year 2026 for Sto SE & Co. KGaA and the Sto Group, as well as the estimate of business development at the year end. Other topics included the auditor's preliminary audit and audit planning of the Annual financial statement and Consolidated annual financial statement of the Sto Group for the 2025 financial year for Sto SE & Co. KGaA, the risk assessment and provisions for loss, and the adoption of the Declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG). Sustainability reporting and the further development of the Sto Group's sustainability strategy and the resulting consequences were also discussed.

Supervisory Board committees

In the 2025 financial year, the Supervisory Board of Sto SE & Co. KGaA had a Nomination Committee, an Audit Committee, and a Finance Committee. For information on the committee appointments in the 2025 financial year, please refer to the introductory overview of the members of the Supervisory Board and the meeting matrix below. These bodies made preparations for the agenda items to be discussed by the Supervisory Board and the decisions which need to be taken.

The Nomination Committee did not meet in the 2025 financial year.

The Audit Committee and the Finance Committee each held four meetings in the 2025 financial year. The Audit Committee's main topics were the annual financial statement and the consolidated annual financial statement of the Sto Group for 2024 of Sto SE & Co. KGaA, the management reports, the dependent company report and the auditor's report as well as the other mandatory reports, including the sustainability statement integrated into the management report. Other items on the agenda included the business development, the current projections for the year as a whole and the 2025 half-year report. The members of the Audit Committee also discussed compliance management, the effectiveness of the Internal Control And Risk Management System, Internal Audit, sustainability issues, the European Market Infrastructure Regulation audit for 2024, the audit of the financial statements and the auditor's fees. The chairperson of the Audit Committee was also in direct dialogue with the company's auditor outside of the meetings, in some cases without the participation of the personally liable partner of the Company.

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

In view of the challenges and upon mutual consultation, the Chairperson of the Supervisory Board attended the meetings of each the Audit Committee, the Finance Committee and the full Supervisory Board in the 2025 financial year.

Corporate Governance and Declaration of Compliance

In the year under review, the Supervisory Board of Sto SE & Co. KGaA duly dealt with the principles, recommendations and suggestions of the German Corporate Governance Code in the version dated 28 April 2022. Taking this version into account, a declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG) was issued in December 2025 and is available on the company's website along with older versions of the declaration. Further details can be found in the Corporate governance report in the 2025 annual report.

Overview of attendance at Supervisory Board meetings in 2025

Supervisory Board meetings: Members	30 Jan 2025	24 Apr 2025	18 June 2025 (before the AGM)	24 July 2025	23 Oct 2025	16 Dec 2025
Zürn, Peter	✓	✓	✓	✓	✓	✓
Markmann, Niels	✓	✓	✓	✓ (v)	✓	✓
Andersson, Maria H.	✓	✓	✓	✓	✓	✓
Bredtmann, Thade	✓	✓	✓	✓	✓	✓
Dallwitz, Klaus	✓ (v)	✓	✓	✓	✓	✓
van Delden, Catharina	✓ (v)	✓	✓	✓	✓	✓ (v)
Dif, Sonja			✓	✓ (v)	✓	✓
Hartwig, Petra	✓	✓				
Heßler, Frank	✓	✓ (v)	✓	✓ (v)		✓
Meister, Barbara	✓	✓	✓	✓	✓	✓
Prof Dr Sedlbauer, Klaus Peter	✓	✓		✓	✓	✓ (v)
Dr Stotmeister, Kirsten	✓	✓	✓	✓	✓ (v)	✓
Wöhrl, Rolf	✓	✓	✓	✓	✓	✓

(v) virtual

Overview of participation in committee meetings 2025

Committee meetings (Audit Committee (P) /Finance Committee (F) /Nomination Committee (N)): Members	23 Apr 2025	23 July 2025	22 Oct 2025	15 Dec 2025
	P/F	P/F	P/F	P/F
Zürn, Peter	✓ (P+F)	✓ (P+F)	✓ (P+F)	✓ (P+F)
Markmann, Niels (F)	✓	✓ (v)	✓	✓
Andersson, Maria H. (F)	✓	✓	✓	✓
Bredtmann, Thade (P)	✓	✓	✓	✓
Meister, Barbara (P/F)	✓ (P+F)	✓ (P+F)	✓ (P+F)	✓ (P+F)
Dr Stotmeister, Kirsten (P/F)	✓ (P+F)	✓ (P+F)	✓ (P+F) (v)	✓ (P+F)
Wöhrl, Rolf (P)	✓	✓	✓	✓

(v) virtual

The Chairperson of the Supervisory Board, Mr Zürn, attended both P and F as a guest for information purposes.

Audit of annual and consolidated financial statements

On 18 June 2025, the Annual General Meeting of Sto SE & Co. KGaA appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart/Germany, to act as the auditor and Group auditor for the 2025 financial year. It audited the Annual financial statement of Sto SE & Co. KGaA, prepared by the Executive Board of the personally liable partner STO Management SE, the Management report, the Consolidated annual financial statement of the Sto Group, the Group management report for the 2025 financial year, as well as the Dependent company report in accordance with Sections 312, 278 of the German Stock Corporation Act (AktG) and the Remuneration report in accordance with Section 162 of the German Stock Corporation Act (AktG). The responsible chartered accountant with respect to Section 319a (1) sentence 4 of the German Commercial Code (HGB) was Denis Etzel. The Group sustainability statement of Sto SE & Co. KGaA for the 2025 financial year contained in the 'Sustainability statement' section of the Group management report was subjected to a voluntary audit to obtain limited assurance, just like the previous year. The auditor determined that the consolidated annual financial statement and the consolidated annual financial statement of Sto SE & Co. KGaA comply in all material respects with the stipulations of German commercial law, with the IFRS Accounting Standards, as they are to be applied in the EU, and with German legal regulations to be applied in accordance with Section 315e (1) of the German Commercial Code (HGB), that they give a true and fair view of the assets, liabilities, financial position and profit or loss in accordance with the generally accepted accounting principles in Germany, and that the annual financial statement and the consolidated annual financial statement of Sto SE & Co. KGaA give a true and fair view of the Company's and the Group's situation. In all material respects, the Management report and Group management report are consistent with the Annual financial statement and Consolidated annual financial statement, comply with German legal regulations and accurately presents the opportunities and risks of future development. In addition, the auditor determined that the early risk detection system within the meaning of Section 91 (2) of the German Stock Corporation Act (AktG) is suitable in all material respects for the early detection, with sufficient certainty, of developments that could jeopardise the continued existence of the Company. Moreover, the chartered accountant formally verified that the disclosures required under Section 162 (1) and (2) of the German Stock Corporation Act (AktG) – insofar as applicable due to the legal form of organisation – had been provided. The auditor respectively issued an unreserved Independent Auditor's Report.

Furthermore, as part of the voluntary audit of the Group Sustainability Statement, the auditor determined that, based on the audit procedures performed and the audit evidence obtained, no issues have come to its attention that cause it to believe that the accompanying Group Sustainability Statement is not prepared, in all material matters, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Section 315 in conjunction with Sections 289c to 289e of the German Commercial Code (HGB) for a non-financial

Group statement and with the more specific criteria presented by the company's legal representatives. This audit opinion includes that no matters have come to be known that lead to believe that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), that the process performed by the company to identify information to be included in the Group Sustainability Statement (the materiality analysis) is not, in all material respects, consistent with the description set out in the section 'IRO-1 Description of the process for determining and assessing the material impacts, opportunities and risks' of the Group Sustainability Statement, or that the information contained in the section 'EU Taxonomy Regulation of the Sto Group' of the Group Sustainability Statement does not, in all material respects, comply with Article 8 of Regulation (EU) 2020/852.

The annual and consolidated financial statements of the company, the management report and Group management report including the Group sustainability statement, the auditor's reports and the statements not to be audited by the auditor and to be published in the annual report and the remuneration report were available to all Supervisory Board members in a timely manner. The Audit Committee reviewed these documents in its meeting held on 22 April 2026. In advance of the committee and Supervisory Board meeting, other preliminary examinations and explanatory meetings were held between the Executive Board of the personally liable partner STO Management SE, the Chairperson of the Supervisory Board, and the Chairperson of the Audit Committee to discuss key audit matters. At the Supervisory Board meeting on 23 April 2026, the financial statements, reports, and declarations were discussed and reviewed in detail. Auditor representatives were present at both meetings to report on the audit results and provided additional information when requested – even without the Executive Board of the personally liable partner STO Management SE. They confirmed the effectiveness of the monitoring system within the meaning of Section 91 (2) of the German Stock Corporation Act. In addition, the auditors provided a written assurance in the audit reports in accordance with Section 321 (4a) German Commercial Code (HGB) that they have complied with the applicable independence requirements for the audit of the annual and consolidated financial statements.

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

There were no objections to the Supervisory Board's own comprehensive audit of the annual and consolidated financial statements, the management report and Group management

report, including the Group sustainability statement of Sto SE & Co. KGaA integrated into the Group management report, as well as the statements published in the annual report that were not to be audited by the auditor, and the remuneration report. The Supervisory Board approved the annual financial statement of Sto SE & Co. KGaA prepared by the Executive Board of the personally liable partner STO Management SE, and the consolidated annual statement for 2025 in accordance with Section 171 of the German Stock Corporation Act (AktG), as well as the dependent company report. At the Annual General Meeting on 18 June 2026, it will propose the approval of the annual financial statement of Sto SE & Co. KGaA for the 2025 financial year and the approval of the remuneration report prepared and audited in accordance with Section 162 of the German Stock Corporation Act (German Stock Corporation Act).

The Supervisory Board agrees with the proposal of the personally liable partner STO Management SE to recommend a dividend payout of EUR 21,036,780.00 at the Annual General Meeting on 18 June 2026. Accordingly, the limited preference shareholders are to receive a basic dividend of EUR 0.31 and a bonus of EUR 3.00, i.e. a total of EUR 3.31 per share, and the limited ordinary shareholders are to receive a basic dividend of EUR 0.25 and a bonus of EUR 3.00, i.e. a total of EUR 3.25 per share.

Personnel-related matters

There was a change in the composition of the Supervisory Board's workers' representatives in the 2025 financial year after Petra Hartwig resigned from office on 25 April 2025. Subsequently, the Freiburg district court appointed Sonja Dif, District Manager of the IGBCE Freiburg district, as a Member of the Supervisory Board from 15 May 2025 at the request of the company.

On behalf of the entire Supervisory Board, I would like to especially thank the employees of Sto SE & Co. KGaA and the members of the Executive Board of the personally liable partner STO Management SE for their renewed high level of commitment and dedication in the 2025 financial year. We wish the entire team success and, above all, good health for the tasks ahead and for mastering the challenges in turbulent times in the current year 2026.

Stühlingen/Germany, 23 April 2026



Peter Zürn

Chairperson of the Supervisory
Board
of Sto SE & Co. KGaA



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

The Sto share

Sto limited preference share data

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

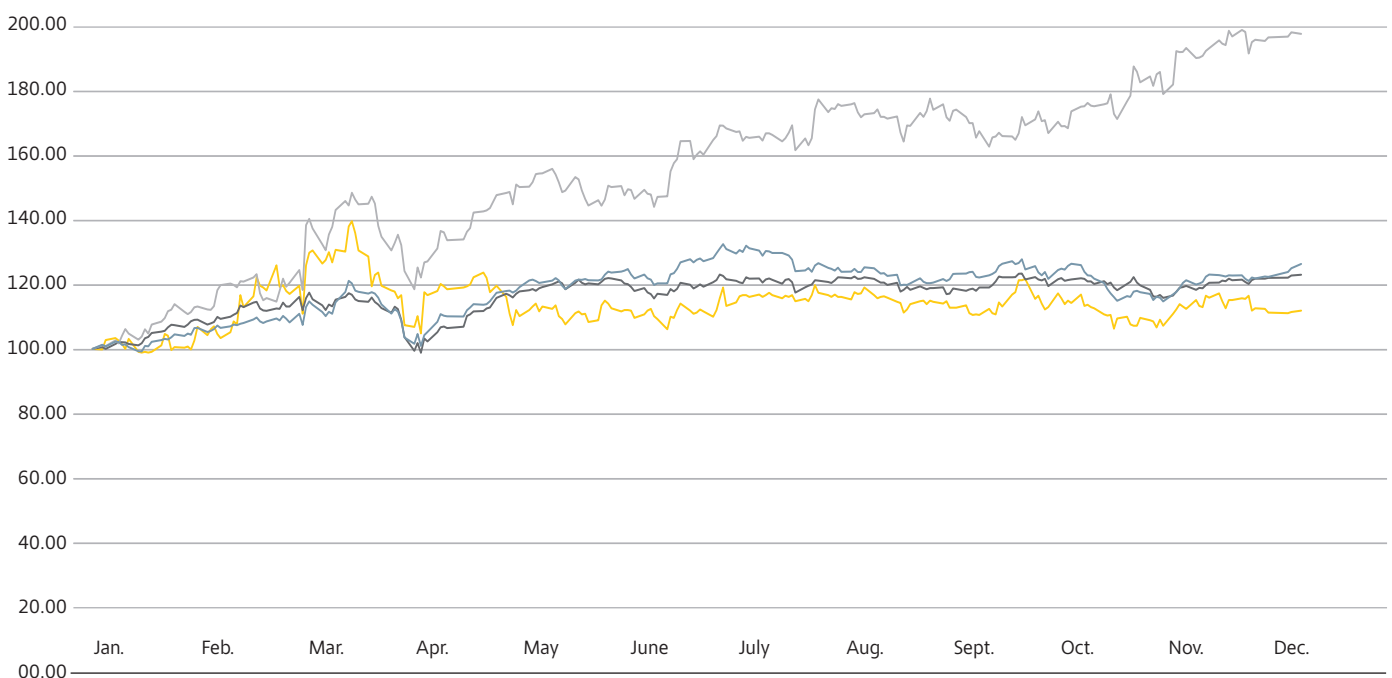
International stock markets 2025

In 2025, Germany's leading index, the DAX, rose by 23 % despite the mixed economic situation. This was the first-time in many years that it outperformed the US index S&P 500, which rose by 17 %. The main reason for this was the unpredictable customs policy, which significantly hampered the US market, particularly at the beginning of the year. In the further course of the year, the tariff shock initially impacted all international stock markets, which, however, revived surprisingly quickly. US stocks outperformed the most important German stocks in the second half of the year. The share prices of the major tech companies that benefited from the high level of investment in artificial intelligence and the power supply required for this rose particularly rapidly.

In Germany, the development was significantly supported by the German government's billion-euro infrastructure package, which fuelled investors' investment hopes. Values in the defence industry in particular rose in 2025. Financial institutions, companies from the energy technology and pharmaceutical industries also recorded gains, while automotive and chemical stocks were among the biggest losers in the DAX.

Share price trend in the 2025 financial year

(indexed as at 30 December 2024 = 100), Frankfurt stock exchange, XETRA



■ Sto limited preference shares ■ DAX ■ DAXsector All Construction (Performance) ■ SDAX

The SDAX, in which mainly medium-sized German companies are listed, improved by around 25 % in 2025. The Construction sector index, which tracks the German construction industry, performed surprisingly well. It rose by 99 % year-on-year.

The Sto share with gains

The price of Sto preference shares was quoted at EUR 121.20 on the Frankfurt Stock Exchange's electronic trading system XETRA at the end of 2025. Compared to the previous year's closing price of EUR 107.00, this corresponds to an increase of 13.3 %. The value was at its lowest level of the year of EUR 105.80 on 14 January, rose significantly in the following weeks and reached its high for the year of EUR 149.80 in mid-March. Subsequently, however, the share quickly lost value again. Thereafter, with a few exceptions, it largely moved sideways.

In 2025, the market capitalisation of 2.538 million Sto limited preference shares grew from around EUR 271.6 million to EUR 307.6 million year-on-year.

Consolidated earnings

The Sto Group's earnings improved in 2025 as scheduled: EBIT rose from EUR 58.8 million to EUR 64.4 million, while EAT totalled EUR 39.2 million (previous year: EUR 37.6 million). Diluted and basic earnings were EUR 6.13 per limited preference share (previous year: EUR 5.89) and EUR 6.07 per limited ordinary share (previous year: EUR 5.83).

Dividend

In 2025, the parent company Sto SE & Co. KGaA reported earnings before income taxes of EUR 69.8 million (previous year: EUR 55.8 million) and a net profit for the year in the amount of EUR 59.3 million (previous year: EUR 45.2 million) in accordance with the accounting principles of the German Commercial Code (HGB). The net income of Sto SE & Co. KGaA relevant for the dividend payout totalled EUR 59.4 million (previous year: EUR 46.1 million).

The Executive Board of the personally liable partner STO Management SE and the Supervisory Board of Sto SE & Co. KGaA will propose to the Annual General Meeting on 18 June 2026 a dividend payout in the amount of EUR 21,036,780.00, unchanged in comparison to the previous year: Accordingly, the limited preference shareholders are to receive an ordinary dividend of EUR 0.31 and a bonus of EUR 3.00, totalling EUR 3.31 per share. An ordinary dividend of EUR 0.25 and a bonus of EUR 3.00, i.e. a total of EUR 3.25 per share, are to be paid out to the limited ordinary shareholders. Measured against the 2025 year-end closing price of EUR 121.20, this results in a dividend yield of 2.7 % per limited preference share.

Sto limited preference share key figures

	2025	2024
Earnings per preference share	6.13	5.89
Cash flow from operating activities	14.71	14.09
Equity	118.63	115.70
Dividend payout per limited preference share*		
Dividend	0.31	0.31
Bonus	+ 3.00	+ 3.00
Share price at year end**	121.20	107.00
Year high**	149.80	173.60
Year low**	105.80	102.60
PER (31 Dec)	19.77	18.17
PER (high)	24.44	29.47
PER (low)	17.26	17.42
Capitalisation of preference shares on 31 Dec (in EUR millions)	307.6	271.6

Values per share in EUR

* 2025: proposal by the personally liable partner STO Management SE and the Supervisory Board of Sto SE & Co. KGaA

** XETRA closing price

Trading volume in 2025

In the financial year 2025, a total of 711,278 limited preference shares in Sto SE & Co. KGaA were traded in the electronic system XETRA of the Frankfurt Stock Exchange (previous year: 659,542).

Shareholder structure

As at 31 December 2025, the 2.538 million Sto limited preference shares were free float. The Stotmeister family held 90 % of the 4.320 million non-listed limited ordinary shares via Stotmeister Beteiligungs GmbH. As at the reference date, the remaining 10 % were held by Sto SE & Co. KGaA.

Management report for the Sto Group (IFRS)



Members of the Executive Board of STO Management SE in the financial year of 2025

(personally liable partner of Sto SE & Co. KGaA)

Rainer Hüttenberger

Stein am Rhein/Switzerland, Chief Executive Officer;
responsible for sales and finance;
Member of the Executive Board since 1 April 2011

Jost Joseph Bendel

Nuremberg/Germany, Chief Technology Officer;
Member of the Executive Board since 1 September 2024

Michael Keller

Bonndorf/Germany, Deputy Chief Executive Officer;
responsible for Brand Sales Sto Germany and Two-Tier Sales;
Member of the Executive Board from 1 July 2015 to
31 December 2025;
Michael Keller retired at the end of 2025 and left the Executive
Board

Désirée Konrad

Horb am Neckar/Germany, Chief Financial Officer;
Member of the Executive Board from 1 September 2023 to
31 December 2025;
Désirée Konrad resigned from the Executive Board at the end
of 2025 with assurance of reappointment in accordance with
Section 84 (3) of the German Stock Corporation Act, as she will
be on maternity and parental leave from 1 January 2026

The STO Management SE Executive Board (from left):
Rainer Hüttenberger, Michael Keller, Désirée Konrad,
and Jost Joseph Bendel.

Photo: Martin Baitinger, Böblingen/Germany

The 2025 financial year at a glance

- Sto Group achieves all forecast figures in 2025 despite persistently difficult general conditions
- Consolidated turnover decreases by 1.3 % to EUR 1,591.1 million
- Declines in Germany and outside of Germany due to lack of momentum in the construction industry
- Consolidated earnings improve: EBIT rises by 9.5 % to EUR 64.4 million and EBT by 7.2 % to EUR 65.3 million; return on sales increases to 4.1 %
- Cash flow from operating activities increases to EUR 94.5 million (previous year: EUR 90.5 million)
- Group's workforce decreases by 117 to 5,482 employees worldwide year-on-year
- Outlook for 2026: Sto anticipates a Group turnover of EUR 1.62 billion and an EBIT of between EUR 56 million and EUR 76 million

A. Group fundamentals

Businessmodel¹

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

The Sto Group's product range is divided into four product groups:

In our core business of **facade systems**, which contributed 46.5 % to the Group's consolidated turnover in the year under review, we offer a wide range of external thermal insulation composite systems (ETICS). These differ in their system structure through the use of mineral or organic adhesives and reinforcing compounds as well as various insulating materials such as polystyrene, mineral wool, soft wood fibre, etc. Sto is

the world market leader in this field. ETICS play a key role in energy efficiency and hence in the sustainability of buildings. This product group also includes ventilated rainscreen cladding systems (RSC).

Facade coatings, which accounted for 23.8 % of consolidated turnover in 2025, include render and paint systems for external applications.

The third product group of **interior products** with its turnover share of 15.1 % includes plaster and paint systems, for example for living and office spaces, decorative coatings, interior claddings and acoustic systems for regulating room sound.

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

StoTherm Mineral with StoCleyerB[®]

The external thermal insulation composite system StoTherm Mineral, optimised for fire protection, is suitable for old and new buildings, especially high-rise buildings and public buildings. The core component of the system is a non-combustible mineral wool insulation board. The system opens up a wide range of design options for building owners with a large selection of finishing renders, ceramics and natural stone. The flat facing bricks, StoCleyerB, that can be applied using adhesive, enable a brick look with a low weight.

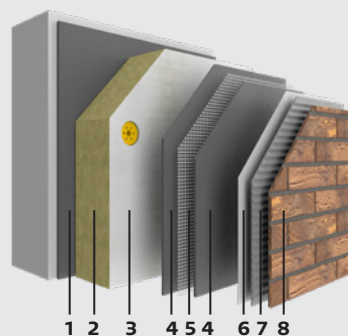
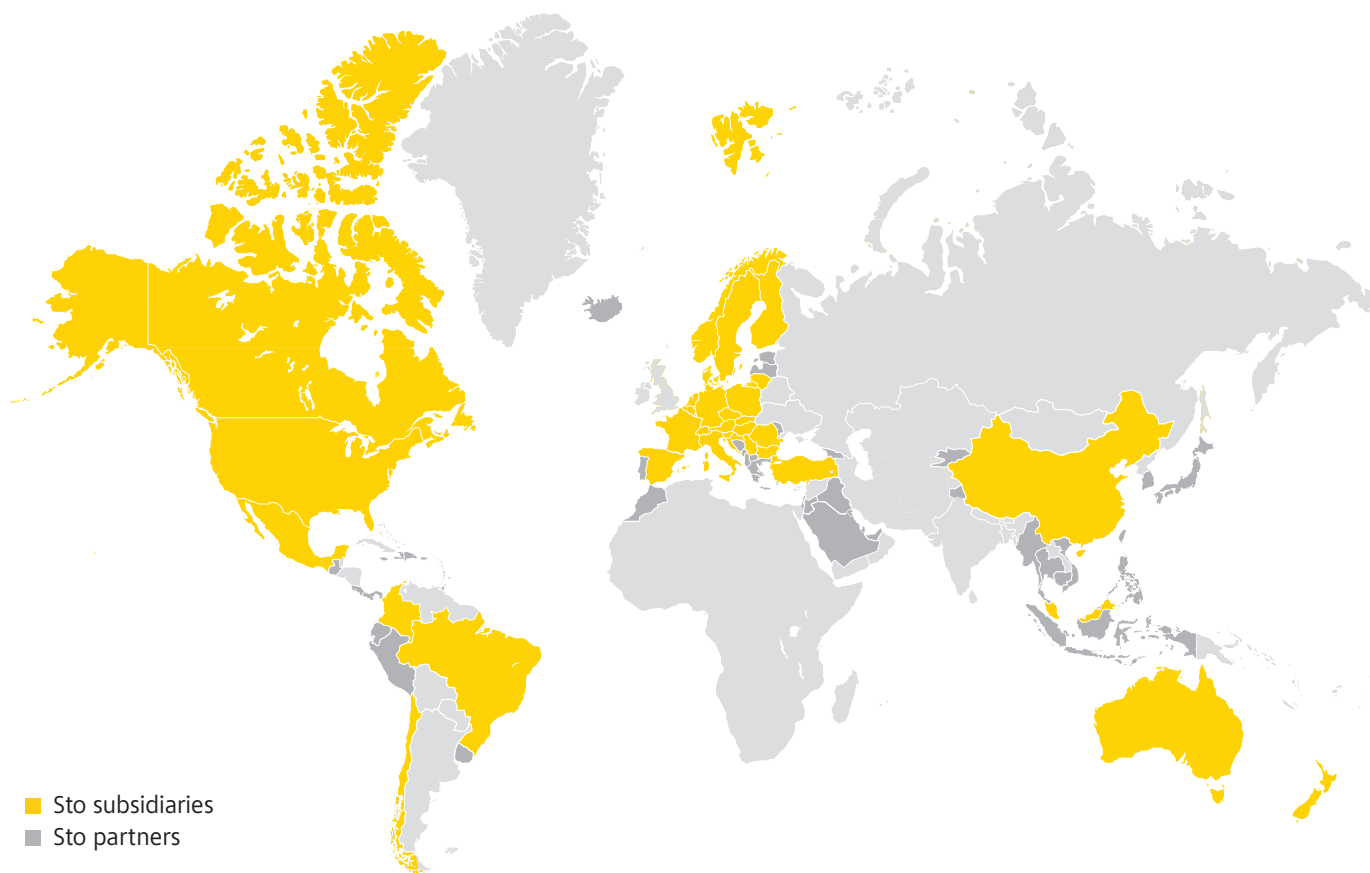


Diagram: Sto SE & Co. KGaA

- 1 — **Bonding**
StoLevell Uni[®]
- 2 — **Insulation**
Sto-Stone Wool Insulation Board Xtra 2/B/H1-W4
- 3 — **Fixing**
Sto-Thermo Anchor II UEZ 8/60
- 4 — **Base coat:**
StoLevell Uni[®]
- 5 — **Reinforcement**
Sto-Glass Fibre Mesh
- 6 — **Intermediate coat (optional):**
Sto-Primer
- 7 — **Bonding and pointing**
Sto-Bonding and Pointing Mortar
- 8 — **Cladding**
StoCleyer B[®]



In addition, Sto produces and sells high-quality floor coatings, products for concrete repair and further items which are allocated to **Other product groups**. They accounted for 14.6 % of consolidated turnover in the past year.

The components of the Sto product range, particularly in the core business of facade systems, are optimally coordinated and complement each other ideally with the other product groups. For example, different insulation materials can be combined with alternative coating materials or facade claddings and design services. Through this **skill-set**, we contribute to the long-term conservation of the value of buildings and enhance processing efficiency. The system concept also allows building owners maximum individual design freedom.

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

The company's **capacity for innovation** plays a vital role in the positive image of the brand and the continuous progress of the Sto Group. It is permanently strengthened by research and development activities aimed at achieving the technology leadership we strive for and opening up new growth areas for

the Group. Our success is reflected, among other things, in the award of 'world market leader for external thermal insulation composite systems', which we have received for the seventh time.²

Group structure

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

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

In addition to Sto SE & Co. KGaA, there are eight major companies in **Germany** that specialise in different areas and product segments. **Outside of Germany**, business is largely handled by national companies, operating independently and some of which producing locally, with their product range tailored to suit the respective local conditions. The remaining products are largely sourced via the Group organisation. A list of all subsidiaries of Sto SE & Co. KGaA is reproduced in the Notes for the Group.

The four product groups (facade systems, facade coatings, interior products and Other) are each overseen by a

²Determined in the annual World Market Leader Index in cooperation with WirtschaftsWoche magazine, published in the special issue of WirtschaftsWoche magazine on 5 November 2025.

product management team that bears global product and system responsibility. It is responsible for the strategic positioning of the product range. The marketing and sales objectives are coordinated with the relevant subsidiaries so that specific, sometimes significantly deviating requirements in the individual markets can be taken into account and the needs in the regions can be fulfilled in a targeted manner. Central units within the Sto Group, such as technical service or strategic marketing, support the subsidiaries and product groups. This structure warrants efficient, global management and the targeted further development of the service portfolio. At the same time, flexible adjustment to market requirements is ensured.

Sales markets

Western Europe (including Germany) is by far the Sto Group's largest sales region. In 2025, 76.9 % of consolidated turnover was generated in this segment. Germany, the most important individual market, accounted for 40.6 %. The share of sales in the **Northern/Eastern Europe** region was 10.4 % and in **America/Asia/Pacific** 12.7 %.

By tapping into and penetrating new markets, we can utilise existing sales opportunities for Sto worldwide and spread the entrepreneurial risk. At the end of 2025, the Sto Group was represented in 35 countries with 50 subsidiaries of our own and their operating sites. In many other regions, we also maintain supply partnerships via distribution partners.

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

Customers and distribution system

The product range of the Sto brand is largely marketed via a omni-channel **direct distribution** with its own permanent employees – directly from the factory via SalesCentres as local contact points as well as digital channels. This system, which covers almost the whole of Germany, is aimed at professional customers such as painters, plasterers and construction companies. Architects, planning offices, and the real estate industry are also served directly.

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

Business management control system

The personally liable partner of the Company, STO Management SE, is responsible for managing the business of Sto SE & Co. KGaA and the Sto Group. It is represented by its Executive Board, which develops the Group strategy and ensures its implementation. The parent company Sto SE & Co. KGaA, the segments and the subsidiaries are managed on the basis

of strategic and operational guidelines and financial covenants. They are based on uniformly determined business data across the Group and are part of a standardised reporting system.

The most important operating control parameters in the Sto Group are the key figures **net turnover, EBIT, EBT and return on sales**. They form the basis for the planning and controlling processes. **ROCE** serves as a measure of the return on capital employed. It is based on the EBIT divided by the average capital employed.³

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

In addition to internal key figures, we continuously monitor external early indicators such as global economic data and industry information as part of our planning processes and for Group and risk management purposes.

Corporate governance statement/Non-financial statement

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

Our sustainability strategy follows a holistic approach, covers all areas of influence within the Group and is implemented at all stages of the value chain. It is based on a concept adopted in 2021 and updated in 2025, as well as a materiality assessment as part of CSRD reporting, which analysed the positive and negative impacts of our corporate activities on the economy, the environment, and people, as well as on the Sto Group itself. The results led to the definition of significant fields of action and topics. In addition, the sustainability measures have been aligned with the United Nations' 17 Sustainable Development

³ROCE = EBIT divided by average capital employed.
Capital employed = Intangible assets + Property, plant, and equipment + Rights of use + Inventories + Trade receivables / Trade payables
Balance sheet values are calculated on the basis of an arithmetic average value of the respective reporting date values at the end of the month for the respective period.

Goals, or SDGs for short. This resulted in six fields of action for sustainable development within the Sto Group:

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

The sustainability statement provides information on key activities in the fields of action and material topics defined for Sto, as well as the statutory disclosures required by the EU Taxonomy Regulation. The application of these topics and the reference to the reportable aspects of environmental matters, employee matters, social matters, respect for human rights and combating of corruption and bribery in accordance with DRS 20 can be found in the Sustainability Statement 2025, which is part of this management report. It voluntarily fulfils the reporting on sustainability at Sto in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Fundamentals of the remuneration system

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

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

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

Strategic objectives

The principle strategic direction of the Sto Group is based on our vision, which has remained unchanged for many years. It says: 'Technology leader in the sustainable design of living space tailored to human needs. Worldwide.' Our mission 'Building with conscience.' is just as consistent and, in view of the climate protection targets formulated worldwide and the high demands placed on energy-efficient and sustainable construction, extremely topical at the same time.

The planning horizon of our strategy, which is derived from these principles, ended in the 2025 financial year, so an update was prepared with the aim of reviewing the effectiveness of the previous strategic direction and incorporating the current environment in which the company operates worldwide. This includes macroeconomic and geopolitical factors, mega and sub-trends as well as opportunities and risks in the markets we operate in.

The results of this process served as the basis for the further development of our strategy. It is made up of six central targets that will determine the initiatives, projects and actions of the entire Sto Group until 2030:

- **Solution leadership** – Sto's solutions go far beyond mere product ranges. They include excellent consultation and are increasingly using digital tools. As a solution leader and based on our core competences, we want to be the first choice on the facade.
- **Growth** – We grow sustainably, profitably and in a capital-efficient manner. We are making targeted investments in segments and product groups to secure a relevant position on the market and achieve significant market coverage.
- **Customer centricity** – We make it easier for our customers to do business with us. This includes good accessibility and first-class product availability. This allows us to significantly increase the number of regular customers.
- **Productivity** – We continue to develop our organisation in a targeted manner. This allows us to create synergies, reduce interfaces and costs, as well as enable the optimisation and automation of processes.
- **Sustainability** – We regard sustainability as a core competence of the Sto Group. All of the activities in our sustainability strategy relate to this.
- **Employees** – They are the foundation for sustainable corporate success and excellent customer loyalty. The Group's workforce is consistently developed and supported.

In order to achieve these strategic targets, ten specific initiatives were developed in 2025 that apply to the entire Sto Group. They will be implemented with high priority over the next few years, taking into account the general conditions in the individual markets.

B. Financial report

General statement on business development in 2025 and comparison with the forecast

The Sto Group's business development in 2025 was characterised by an onerous market environment. Apart from the great uncertainties caused by the global crises and unpredictable customs and trade regulations, which affected not only our company but the global economy as a whole, we were confronted with a continued weak construction industry in many of Sto's core markets – although the market potential is very high. Despite initial rays of hope, such as slowly rising number of building permits in Germany, investment was again restrained in the year under review. In addition, the high cost level, bureaucratic hurdles and an unstable funding policy hindered a thorough revitalisation of the industry. A significant condition for an increase in willingness to invest and thus to realise the potential is plannability through predictable policies. This is currently not the case in many countries.

In light of the difficult general conditions, the Executive Board of the personally liable partner of the Company STO Management SE is overall satisfied with the Sto Group's performance in the 2025 financial year. At EUR 1.59 billion, turnover remained slightly below the previous year's value, as expected. However, it not only reached the level we had forecast, but even slightly exceeded it. The decisive factor was the surprisingly good December business due to the weather, while activity on construction sites was limited in many regions in November due to the weather.

The Sto Group's earnings improved in the 2025 financial year. The declines of the last two years were halted and the forecast was achieved in full despite the obstacles: EBIT rose by 9.5 % year-on-year to EUR 64.4 million (forecast: EUR 51 million to EUR 71 million; previous year: EUR 58.8 million), while earnings before taxes (EBT) increased to EUR 65.3 million (forecast: EUR 50 million to EUR 70 million; previous year: EUR 60.9 million). The resulting return on sales in 2025 was 4.1 % (forecast: 3.1 % to 4.5 %; previous year: 3.8 %). The forecast for the return on capital employed (ROCE) was 6.8 % to 9.6 %, which was also achieved at 8.7 % (previous year: 7.8 %).

The increase in earnings was mainly due to cost-cutting measures with which Sto reacted to the sales-related decline in capacity utilisation at an early stage. They were particularly effective in the fourth quarter, accompanied by a slight improvement in turnover. This compensated for the overall lower consolidated turnover and the continued tense situation in terms of sales prices and slightly increased the gross profit margin – supported by a changed product mix and in some cases more favourable purchasing prices. In terms of personnel, the agreed pact for the future (Zukunftspakt) with cost-saving measures at the German companies Sto SE & Co. KGaA and StoCretec GmbH had a particularly positive impact.

Opportunities for the further development of the Sto Group arise in particular from the great potential for sales of energy-efficient building refurbishment, which has not been fully utilised for years. The German government's billion-euro infrastructure programme and the political declaration of intent to streamline approval processes, simplify funding programmes and improve tax incentives are bringing some movement back into the German construction sector, our largest market. An economic turnaround in construction is also expected in Europe in 2026. In connection with Sto's strengths, its clear strategic direction and the targeted realisation of potential, we see good opportunities for positive business development as the market leader for external thermal insulation composite systems. However, the core business of facades is characterised by long lead times, which means that we expect a hesitantly positive revival in 2026, accompanied by many uncertainties in general conditions.

Overall economic and sector-related general conditions in 2025

The global economy was surprisingly resistant in 2025. According to estimates by the International Monetary Fund (IMF), the global economy grew by 3.3 % (previous year revised: 3.3 %), as in the previous year, although it was affected by numerous negative influences. These included, above all, geopolitical tensions, trade disputes, high levels of sovereign debt in several advanced economies and the high level of uncertainty in society as a whole. In the first half of the year in particular, these were contrasted by pull-forward effects to avoid higher US tariffs and rising investments in the technology sector – particularly in artificial intelligence and the infrastructure it requires. However, the IMF points out the temporary nature of these positive influences.

According to the IMF, economic output in developing and emerging countries increased by 4.4 % in 2025 (previous year revised: 4.3 %). According to official government figures, China expanded by 5.0 %, supported primarily by high exports, while domestic demand remained weak. The IMF reported growth of 4.2 % for the ASEAN region (Indonesia, Malaysia, the Philippines, Singapore and Thailand).

An increase of 1.7 % was achieved in the industrialised nations (previous year revised: 1.8 %). The USA in particular recorded solid growth of 2.1 %, helped by stable consumption and significant investments in technology. Canada's gross domestic product (GDP) increased by 1.6 %.

Economic output in the eurozone increased by 1.4 % in 2025 (previous year revised: 0.9 %), with most of the major countries experiencing weaker growth than in the previous year: in France, the increase fell from 1.1 % to 0.8 %, in Italy from 0.7 % to 0.5 % and in Spain from 3.5 % to 2.9 %. Only the German economy, which was still clearly in recession in 2024 at -0.5 % (revised), was more positive in 2025. According to IMF calculations, the domestic economy grew by 0.2 % in 2025.

According to the Federal Statistical Office (Destatis), the increase in Germany was mainly due to higher consumption expenditure by private households and the state. Exports, on the other hand, faced strong headwinds from higher US tariffs, the appreciation of the euro and stronger competition from China and decreased again. The weakness in investment also continued. According to Destatis, less was invested in both equipment and buildings than in the previous year. Construction investment thus fell for the fifth year in a row.

International trends for the construction sector

The German main construction sector saw a partial improvement in demand in 2025. In comparison to the previous year, the Federal Statistical Office reported an increase in orders in real terms (adjusted for price changes) of 6.8 %. This development was driven by building engineering, where incoming orders were 7.5 % higher than in the previous year. This means they rose again for the first-time since 2021. Starting from a very low level, orders in residential construction recorded growth of 10.1 %, while orders in non-residential construction increased by 5.8 %. Turnover, which increased by 2.4 % in real terms in the main construction sector as a whole, decreased again slightly by 0.8 % in building engineering compared to the previous year.

There was also a ray of hope after three consecutive years of decline in building permits, an important indicator of future construction activity. According to Destatis, the total number of permits issued for the construction and conversion of residential space increased by 10.8 % in 2025. Building permits for single-family homes rose particularly strongly by 17.2 %. In contrast, the number of two-family houses remained at the low level of the previous year. In new multifamily dwellings, the largest building type in terms of numbers, the building supervisory authorities approved 12.1 % more projects than in the previous year, with this increase becoming apparent from the second half of the year onwards.

The volume of **architectural paints and renders/plasters** sold in Germany in 2025 has decreased significantly by 3.5 %. According to the Association of the German Lack- und Druckfarbenindustrie e.V. (Association of the German Paint and Printing Ink Industry), the reasons for the negative development included the continuously weak housing market and low construction investment. The decline was particularly strong in the professional sector, which decreased by 4 %, while sales volumes in the do-it-yourself sector, in which the Sto brand is not represented, fell less sharply by 2 %.

The German **market for external thermal insulation composite systems** recorded significant losses for the third year in a row: according to market research institute B+L Marktdaten GmbH, sales fell by 7.1 % compared to the previous year. The market thus lost slightly less than in 2024 (previous year: -8.2 %), with the decline slowing down over the course of the year 2025. Neither the weak construction of new buildings nor the renovation segment provided any impetus in the year under review, which according to B+L was due to the ongoing

general uncertainty that caused private and commercial investors to hold back.

The volume of construction in **Europe** showed the first signs of a turnaround in 2025, but has hardly grown at all. According to projections by the Euroconstruct network, production in the 19 countries included increased by 0.3 %. In particular, the unclear consequences of the war in Ukraine and the US tariffs as well as continued high construction costs stood in the way of a more dynamic increase in European construction activity. Despite the housing shortage in many places in Europe, residential construction is expected to decrease again by around 1.2 %, with investment in the existing housing stock being particularly restrained (-2.0 %). Construction of new buildings, on the other hand, is likely to have increased slightly (+0.3 %).

According to GTAI (Germany Trade & Invest), the **US construction sector** is experiencing an economic decline. The main reason cited is the country's tariffs policy, which is causing a high level of uncertainty among companies and private households. According to the Office for National Statistics, the value of construction work carried out in the first seven months of 2025 decreased by 5 % in real terms compared to the same period of the previous year. Private residential construction, by far the largest division of the US construction sector, was hit the hardest by the reluctance to invest. The number of building permits for single-family houses decreased by 13 % between February and August 2025, while the decline in construction

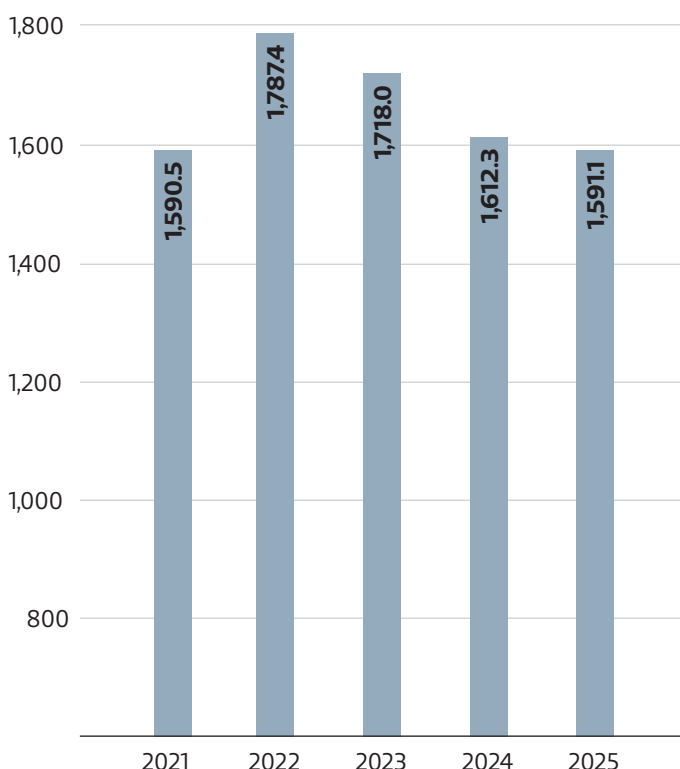
starts was 19 %. The growth in industrial construction also appears to have come to an end: the sector stagnated at a high level.

The **Chinese construction industry** remained under considerable pressure in 2025. The ongoing property crisis with sharply falling prices for second-hand properties not only had a negative impact on the market itself, but also had a noticeable effect on macroeconomic growth, according to GTAI (Germany Trade & Invest) estimates. According to the World Bank, the sector made a negative contribution of 1.2 percentage points to China's gross domestic product in 2025.

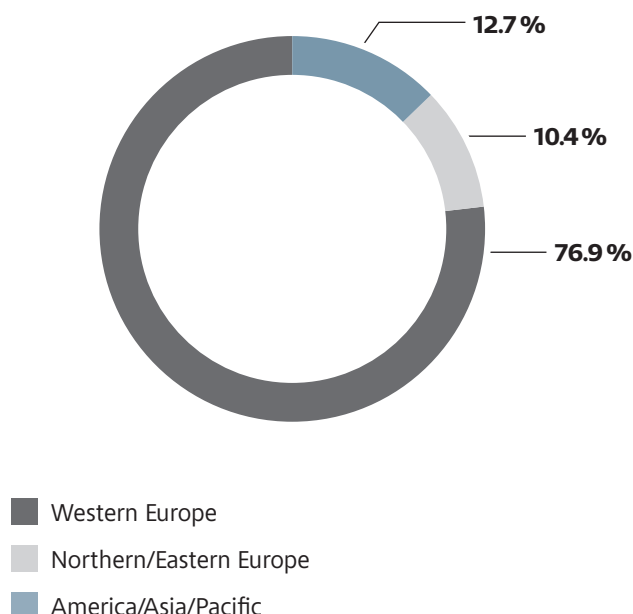
Income situation

In the 2025 financial year, the Sto Group generated a turnover of EUR 1,591.1 million (previous year: EUR 1,612.3 million). Compared to the previous year's value, this corresponds to a decline of 1.3 %, which was also due to negative currency and consolidation effects. The US dollar and the Turkish lira in particular depreciated sharply in the year under review. This was contrasted by the positive performance of individual currencies, such as the Swiss franc and the Swedish krona. Overall, there was a negative currency translation effect of EUR 11.5 million in 2025. Consolidation effects totalled EUR -18.4 million in the year under review. They are made up of the deconsolidation of the UK company Sto Ltd. at the year end 2024 and the incorporation of the New Zealand company Stoanz Ltd, whose shares were acquired by Sto SE & Co. KGaA with effect from 1 April 2024. Adjusted for all currency translation and consolidation effects, a slight growth in turnover of 0.5 % is calculated for the Sto Group for the 2025 financial year.

Sto Group turnover
in EUR million



Sto Group segment turnover
in %



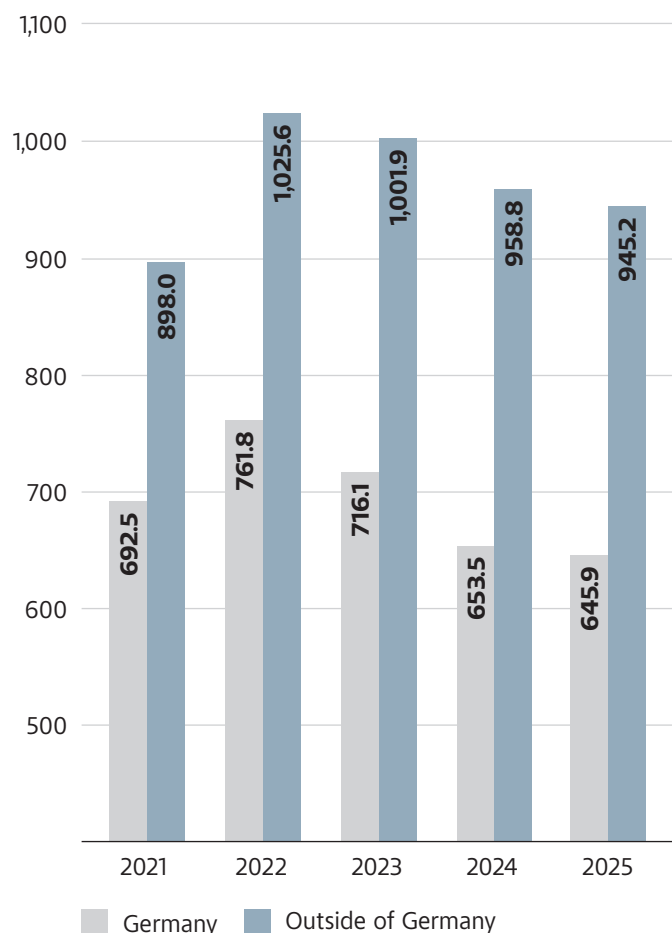
Segments

Segment turnover in **Western Europe** decreased by 1.6 % to EUR 1,223.0 million (previous year: EUR 1,243.4 million). In addition to the continued weak business development in Germany, the largest market, where the construction industry stabilised only slowly over the course of the year and the external thermal insulation composite system market was once again declining significantly, the largest declines were recorded in Italy. In contrast, the national companies in the Benelux countries, Austria and France developed positively. Adjusted for currency translation and deconsolidation effects, segment turnover only decreased by 0.1 %.

Sto achieved growth of 3.4 % to EUR 165.4 million (previous year: EUR 159.9 million) in the **Northern/Eastern Europe** segment. The negative currency translation effects, particularly for the Turkish lira, were offset by the good turnover development in almost all Eastern European and Scandinavian companies. In Sweden, business volume declined compared to the previous year. In national currencies, the segment recorded an increase in turnover of 4.7 %.

Business development in the **America/Asia/Pacific** segment was characterised by the significantly declining turnover

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



volume in North America and China. The US national company had to cope with an abrupt slump in demand from the middle of the year, which was indirectly attributable to the trade differences and the resulting great uncertainty. In addition, construction project costs increased due to higher purchasing prices for imported building materials as a result of high tariffs and the negative development of the US dollar. The subsidiaries in Central and South America achieved growth, but have a significantly lower turnover volume. Business in China, where the property market has been under considerable pressure for years, was again down on the previous year. In the Pacific region, the increase at the New Zealand company, which was substantiated primarily by first-time consolidation effects, was contrasted by declining turnover in Australia. Overall, the segment volume decreased by 3.0 % to EUR 202.7 million (previous year: EUR 209.0 million). Without taking into account the significantly negative currency translation and first-time consolidation effects, turnover increased by 14 %.

The turnover generated by the Sto Group **outside of Germany** in 2025 decreased by 1.4 % compared to the previous year to EUR 945.2 million (previous year: EUR 958.8 million). Adjusted for currency translation and consolidation effects, this results in growth of 1.7 %. In **Germany**, the business volume decreased by 1.2 % to EUR 645.9 million (previous year: EUR 653.5 million). The share of Group turnover generated outside of Germany decreased slightly from 59.5 % to 59.4 %.

Product groups

In 2025, sales of ETICS in Germany continued to decline. Despite the enormous potential and the convincing ecological and economic reasons, the sales volume in this very important market segment for Sto decreased for the third time in a row, which was particularly noticeable in the Sto Group's largest product group, **facade systems**. Outside of Germany, too, the reluctance to invest and curtailments in several foreign funding programmes led to projects being postponed or cancelled. Overall, Group-wide turnover in the product group totalled EUR 739.8 million (previous year: EUR 750.3 million). Compared to the previous year, this results in a moderate decline of 1.4 % compared to the industry as a whole.

In the product groups of **facade coatings** and **interior products**, business volume also declined in comparison to the previous year. Turnover decreased by 2.4 % to EUR 378.2 million (previous year: EUR 387.5 million) and by 0.5 % to EUR 240.1 million (previous year: EUR 241.4 million). The business volume in the **Other product groups**, which stabilised at around the previous year's level at EUR 233.0 million (previous year: EUR 233.1 million), benefited from good demand for concrete repair products.

Development of earnings

The consolidated earnings of Sto SE & Co. KGaA improved as scheduled compared to the previous year's level, which was significantly below our expectations and had been burdened by several negative influencing factors. Driving forces for the increase achieved in 2025 were the globally

restrictive spending policy with which Sto countered the continued high pressure on margins and the pact for the future, which led to significant reductions in personnel costs. Savings were also achieved in terms of purchasing conditions.

The Sto Group's **total revenues** decreased by 1.1 % to EUR 1,591.0 million compared to 2024 (previous year: EUR 1,609.5 million). The reduction in inventories of products decreased from EUR 3.0 million to EUR 1.1 million, while internally generated assets rose from EUR 0.3 million to EUR 1.0 million, mainly as a result of the preliminary project phase for the introduction of the SAP S/4HANA ERP system.

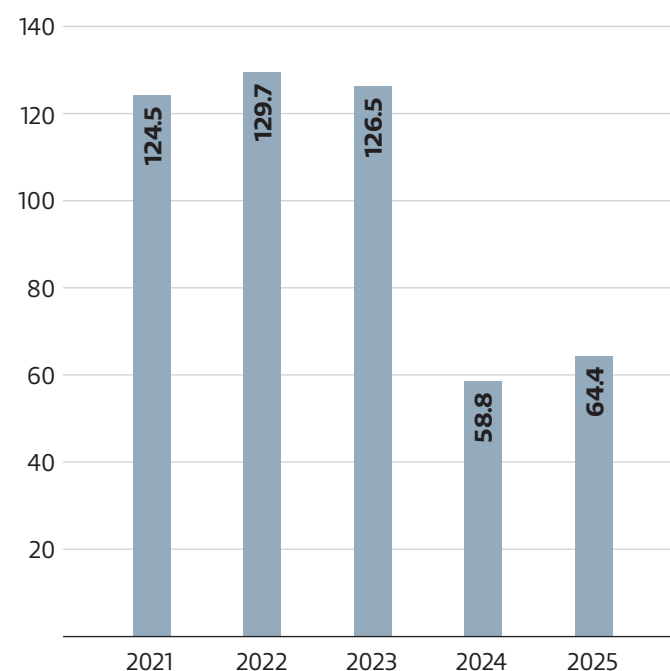
The **cost of material** decreased by 1.8 % to EUR 722.4 million (previous year: EUR 736.0 million). Gross profit in the Sto Group totalled EUR 868.6 million in 2025 (previous year: EUR 873.5 million), with the **gross margin rate** improving slightly from 54.3 % to 54.6 % despite the persistently high pressure on sales prices.

Personnel expenses, which fell by 1.1 % to EUR 430.3 million (previous year: EUR 435.2 million), reflected the reduction of the workforce and the positive effects of the pact for the future, which was agreed for Sto SE & Co. KGaA and StoCretec GmbH at the end of March 2025. This pact sets out the collective bargaining structure for 2025 and 2026 for the two companies and helped to reduce costs in 2025 and secure jobs. On the other hand, costs were increased by collective bargaining effects at individual companies outside of Germany and subsequent collective bargaining effects from the previous year.

In the segment of **Western Europe**, personnel expenses fell from EUR 351.0 million to EUR 347.7 million, while in the **Northern/Eastern Europe** segment they were slightly above the previous year's level at EUR 34.7 million (previous year: EUR 34.0 million). Personnel expenses in the **America/Asia/Pacific** segment decreased from EUR 50.2 million to EUR 47.9 million.

The balance of **other operating expenses and income** totalled EUR -295.7 million in 2025 (previous year: EUR -308.2 million). Other operating expenses decreased by 2.6 % to EUR 321.4 million (previous year: EUR 330.0 million). This was mainly due to the Group-wide restrictive spending policy, which further reduced expenses for travel costs, advertising costs and consulting costs, among other things, as well as lower losses on receivables and a one-off expense in the previous year for risks in the sales area of the British Sto Ltd.. Higher costs for outbound freight and expenses due to changes in exchange rates had the opposite effect. Other operating income increased from EUR 21.8 million to EUR 25.7 million. In addition to one-off effects, higher income from exchange rate fluctuations was noticeable here. Expenses due to changes in exchange rates were around EUR 0.6 million higher than the corresponding income. **EBITDA** in the Sto Group improved from EUR 127.0 million to EUR 137.4 million. After deducting the depreciation/amortisation of intangible fixed assets, property, plant and equipment and right-of-use assets, which increased from EUR 68.2 million

Sto Group EBIT
in EUR million



to EUR 72.9 million in part due to the higher volume of investments, **EBIT** amounted to EUR 64.4 million (previous year: EUR 58.8 million).

Both the segment of **Western Europe**, which accounted for EBIT of EUR 56.8 million in 2025 (previous year: EUR 45.3 million), and **Northern/Eastern Europe**, with a figure of EUR 11.0 million (previous year: EUR 7.0 million), improved earnings in the year under review. In contrast, EBIT of EUR -3.5 million (previous year: EUR +6.4 million) was reported in the **America/Asia/Pacific** segment. Earnings in the US and Canadian national companies, in China and in Australia were declining in particular.

As a result of the lower market interest rates for financial investments, the Group's **net financial income/expense** fell noticeably from EUR 2.1 million in the previous year to EUR 0.9 million. Interest income fell from EUR 9.8 million to EUR 8.7 million, while interest expenses remained almost unchanged at EUR 7.8 million (previous year: EUR 7.9 million).

Overall, the Sto Group reported an **EBT** of EUR 65.3 million in 2025, which was 7.2 % above the previous year's value (previous year: EUR 60.9 million). The **return on sales** based on EBT improved from 3.8 % to 4.1 %.

At 40.0 %, the 2025 tax rate was higher than the previous year's rate, mainly due to the non-recognition of deferred income tax assets at loss-making companies (previous year: 38.2 %). A negative one-off effect resulted from the gradual reduction in the statutory corporate tax rate resolved in Germany in the summer of 2025 for the years from 2028 onwards,

which led to a reduction in deferred taxes, which are mainly recognised on non-current provisions for pension obligations, non-current property, plant and equipment and non-current intangible assets. **Earnings after taxes** rose to EUR 39.2 million (previous year: EUR 37.6 million).

Diluted and basic earnings were EUR 6.13 per limited preference share (previous year: EUR 5.89) and EUR 6.07 per limited ordinary share (previous year: EUR 5.83).

As at the reference date of 31 December 2025, the **ROCE** (Return on Capital Employed) figure for the Sto Group stood at 8.7 % (31 December 2024: 7.8 %). The increase was mainly due to the improved EBIT. There was a slight decline in capital employed, particularly in inventories, based on the annual average calculation.

Sto SE & Co. KGaA – Dividend

The earnings before income taxes of the parent company Sto SE & Co. KGaA calculated in accordance with the German Commercial Code (HGB) totalled EUR 69.8 million in the year under review (previous year: EUR 55.8 million), while the net profit for the year was EUR 59.3 million (previous year: EUR 45.2 million). The net income of Sto SE & Co. KGaA relevant for the dividend payout totalled EUR 59.4 million (previous year: EUR 46.1 million).

The personally liable partner of the Company, STO Management SE, will propose an unaltered dividend payout totalling

EUR 21,036,780.00 (previous year: EUR 21,036,780.00) to the Annual General Meeting on 18 June 2026 through its Executive Board. Accordingly, the limited preference shareholders are to receive an ordinary dividend of EUR 0.31 (previous year: EUR 0.31) and a bonus of EUR 3.00 (previous year: EUR 3.00), i.e. a total of EUR 3.31 per share (previous year: EUR 3.31). An ordinary dividend of EUR 0.25 (previous year: EUR 0.25) and a bonus of EUR 3.00 (previous year: EUR 3.00), i.e. a total of EUR 3.25 per share (previous year: EUR 3.25), are to be paid out to the limited ordinary shareholders.

Financial situation

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

A balanced ratio between equity and debt capital ensures adequate financing scope with a high degree of flexibility. We cover the majority of our financial requirements, which fluctuate greatly due to the seasonal nature of our business, from our operating cash flow and existing liquidity.

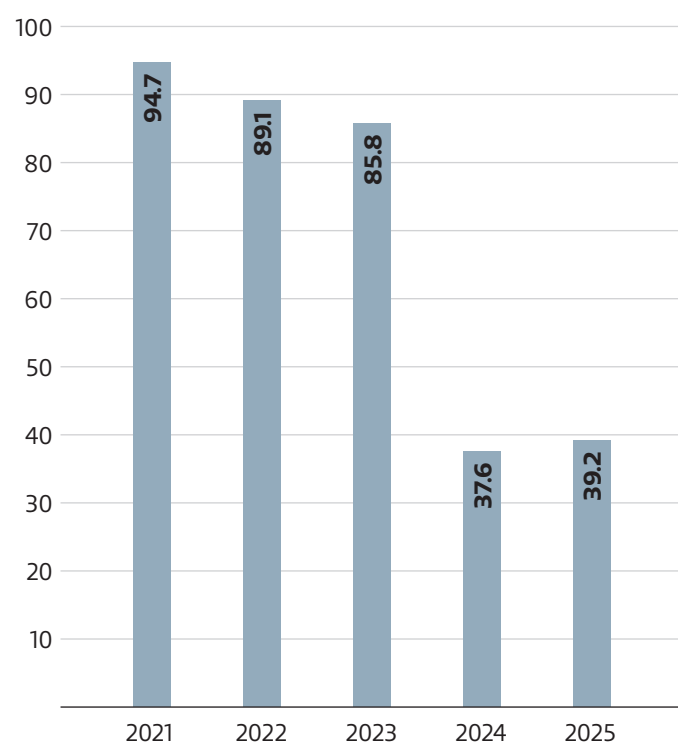
At the end of 2025, the **credit facilities** that had not been utilised amounted to EUR 124.9 million (previous year: EUR 126.2 million). The majority of this comes from a syndicated loan agreement with a total volume of EUR 100 million. The term was originally agreed until April 2027 and included two one-year extension options. In the meantime, the second option has been exercised, meaning that the agreement currently expires in April 2029. The financial covenant stipulated in the contract, the net debt ratio (defined as the ratio of net debt to EBITDA), was fulfilled in the year under review and in the previous year. Depending on the achievement of the KPIs, the interest margin of the loan may decrease or increase. One action each from the areas of environmental protection and corporate governance were agreed as KPIs.

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

Liquidity management is mainly carried out via a **cash-pooling system**, which incorporates almost all of the Sto Group's subsidiaries operating in the eurozone, enabling us to net cash surpluses and requirements and minimising the number of external banking transactions. Any spare liquidity

Earnings after taxes Sto Group

in EUR million



Sto Group statement of cash flows

in EUR K

	2025	2024
Cash flow		
from operating activities	94,509	90,516
from investment activities	-36,219	-38,256
from financing activities	-52,569	-64,115
Change in cash and cash equivalents from changes in exchange rates	-1,968	406
Change in cash and cash equivalents due to expected losses on cash and cash equivalents in accordance with IFRS 9	-5	103
Cash and cash equivalents at the beginning of the period	110,932	122,278
Change in cash and cash equivalents	3,748	-11,346
Cash and cash equivalents at the end of the period	114,680	110,932

is invested under conditions that are as favourable as possible. The principle of 'security takes precedence over return' applies here. Short- or long-term loans granted by the parent company are available to the subsidiaries, in particular for investments.

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

At the 2025 year end, the present value of Sto Group disbursements due from leasing contracts in the future stood at EUR 110.2 million (31 December 2024: EUR 102.6 million).

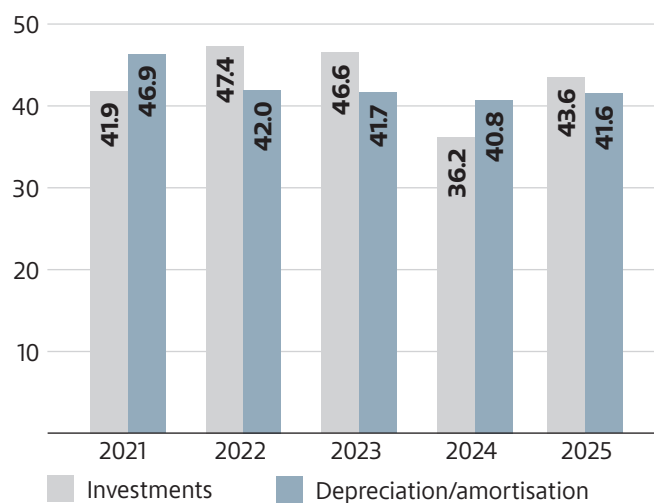
Development of liquidity in 2025

The Sto Group's **cash flow from operating activities** increased to EUR 94.5 million in the year under review (previous year: EUR 90.5 million). The main reasons for the increase were the improved earnings and the lower funds tied up in current assets in comparison to the previous year. The reduction of EUR 4.5 million (previous year: increase of EUR 9.2 million) was mainly due to the reduction in inventories and trade receivables, while trade payables in particular were reduced. Changes in provisions resulted in an outflow of funds in the amount of EUR 5.9 million (previous year: inflow of EUR 12.7 million). The cash flow margin in relation to sales revenue was 5.9 % (previous year: 5.6 %).

Cash flow from investment activities in 2025 stood at EUR -36.2 million (previous year: EUR -38.3 million). Investments in property, plant and equipment and intangible assets totalled EUR 43.6 million (previous year: EUR 36.2 million), while the disposal of intangible assets and property, plant and equipment led to deposits of EUR 1.1 million (previous year: EUR 2.0 million). At EUR 8.4 million, interest payments received were almost at the previous year's level (previous year: EUR 8.3 million). In comparison to the previous year, disbursements for financial

Sto Group investments and depreciation/amortisation (without financial assets and rights of use)

in EUR million



investments rose from EUR 119.2 million to EUR 150.5 million and the corresponding deposits from EUR 114.0 million to EUR 148.4 million. Cash flow from investment activities adjusted for these deposits and disbursements amounted to EUR -34.1 million (previous year: EUR -33.1 million).

Of the **cash flow from financing activities**, which totalled EUR -52.6 million in 2025 (previous year: EUR -64.1 million), EUR 21.0 million was attributable to the dividend paid to shareholders (previous year: EUR 31.9 million). The outflow for the repayment portion of lease liabilities increased slightly from EUR 26.0 million to EUR 27.2 million. Payments for non-current borrowings were cancelled in full (previous year: EUR 0.9 million), while in the current area they fell from EUR 1.0 million to EUR 0.04 million. As in the previous year, payments of interest totalled EUR 4.3 million.

At the end of 2025, the Sto Group had **financial resources** of EUR 114.7 million (31 December 2024: EUR 110.9 million). Changes in the exchange rate in the amount of EUR -2.0 million (previous year: EUR 0.4 million) were taken into account. Compared to the same day of the previous year, cash and cash equivalents increased by EUR 3.7 million (previous year: decrease of EUR 11.3 million).

Investments

In 2025, the Sto Group invested a total of EUR 43.6 million in property, plant, and equipment and intangible assets (previous year: EUR 36.2 million) and thus remained slightly below the planned volume of investments of EUR 45 million.

One of the largest individual investments in the year under review was the purchase of a location in Metzingen (Baden-Württemberg, Germany) for the SalesCentre now based there, which was previously housed in leased premises in Reutlingen/Germany. Funds were also channelled into the continued construction of new production capacities in Australia and Mexico. While

work at the Australian subsidiary was completed in 2025, the new wet production facility at the national subsidiary in Mexico went into operation in the first quarter of 2026. In addition, there were initial investment activities as part of the introduction of the SAP S/4HANA ERP system. The multi-year project is a corner stone for the implementation of the digital transformation of the Sto Group.

Further investment was also made in the ongoing Retrofit programme in 2025. It includes replacement and expansion measures at all production sites and helps to ensure that the Group's production is always at the cutting edge of technology. The focus is on digitisation and process optimisation.

At the year end 2025, the Sto Group had acceptance obligations for items of property, plant and equipment in the amount of EUR 6.4 million (previous year: EUR 4.9 million). As in previous years, the Sto Group did not invest in financial assets.

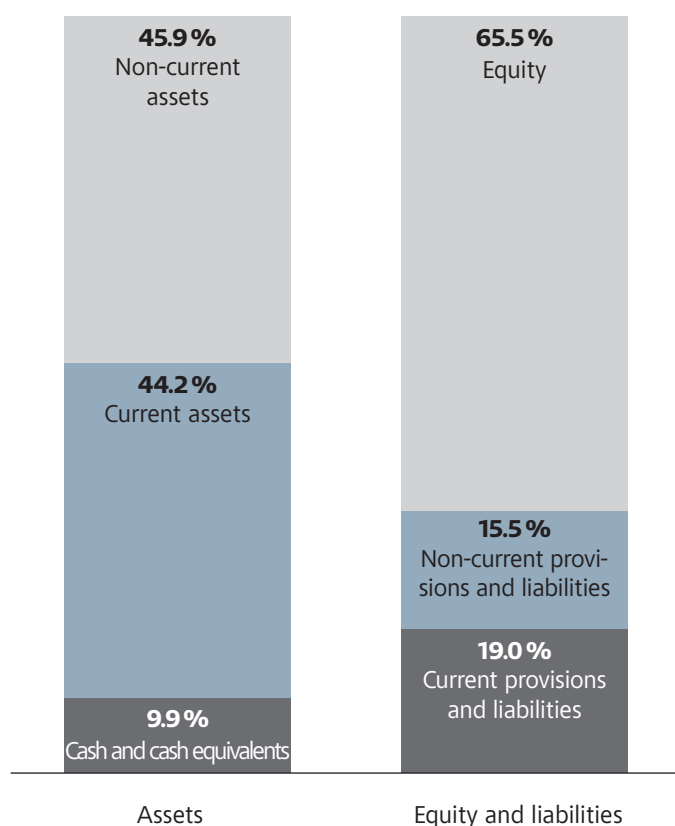
Of the Group-wide investments, EUR 35.0 million was attributable to the segment of Western Europe (previous year: EUR 21.4 million), EUR 2.2 million (previous year: EUR 3.0 million) to Northern/Eastern Europe and EUR 6.4 million (previous year: EUR 11.8 million) to America/Asia/Pacific.

Assets and liabilities situation

As at 31 December 2025, the Sto Group's total assets amounted to EUR 1,163.4 million (31 December 2024: EUR 1,158.3 million).

Sto Group balance sheet structure

as at 31 Dec 2025



Compared to the same day of the previous year, it rose by 0.4 %. **On the assets side**, total **non-current assets** decreased slightly from EUR 552.5 million to EUR 533.5 million, although **fixed assets** increased slightly from EUR 455.4 million to EUR 458.5 million due to increased rights of use as a result of new rental agreements and contract and index adjustments. **Other non-current assets**, on the other hand, decreased from EUR 97.1 million to EUR 75.0 million, mainly due to lower non-current other financial assets. This item, which reports financial investments with remaining terms of more than one year, decreased from EUR 74.6 million to EUR 54.9 million, primarily due to reallocations from non-current to current assets. At EUR 0.8 million, non-current trade receivables were slightly lower than in the previous year (31 December 2024: EUR 1.0 million).

Total **current assets** increased year-on-year from EUR 605.8 million to EUR 629.9 million, with inventories decreasing to EUR 145.8 million (31 December 2024: EUR 151.1 million) due to the good year-end business and the active optimisation of inventories. Current trade receivables also decreased in comparison to the previous year: they amounted to EUR 157.0 million at the end of 2025 (31 December 2024: EUR 164.1 million). Current income tax receivables, on the other hand, increased to EUR 28.1 million (31 December 2024: EUR 15.3 million) as, among other things, the approved adjustments to income tax prepayments are sometimes delayed. Current other financial assets rose significantly. The reallocation from non-current other financial assets caused this item to rise from EUR 141.4 million to EUR 162.8 million. Cash and cash equivalents increased to EUR 114.7 million (31 December 2024: EUR 110.9 million).

The largest item on the **liabilities side** of Sto's consolidated balance sheet remained **equity**, which increased by 2.5 % to EUR 762.3 million (31 December 2024: EUR 743.5 million) due to higher revenue reserves. The very solid **equity ratio** improved further from 64.2 % on the same day of the previous year to 65.5 %.

At the end of 2025, **debt capital** totalled EUR 401.0 million and thus remained below the comparative figure (31 December 2024: EUR 414.8 million). **Non-current provisions and liabilities** decreased from EUR 189.7 million to EUR 180.0 million, mainly due to lower provisions. Pension provisions fell from EUR 90.2 million to EUR 77.6 million and non-current other provisions from EUR 18.5 million to EUR 14.1 million due to the higher market interest rate. Non-current lease liabilities increased roughly in line with the right-of-use item on the assets side in a year-on-year comparison and amounted to EUR 84.0 million at the end of 2025 (31 December 2024: EUR 77.1 million). Non-current other financial liabilities remained virtually unchanged. They amounted to EUR 2.4 million (31 December 2024: EUR 2.4 million).

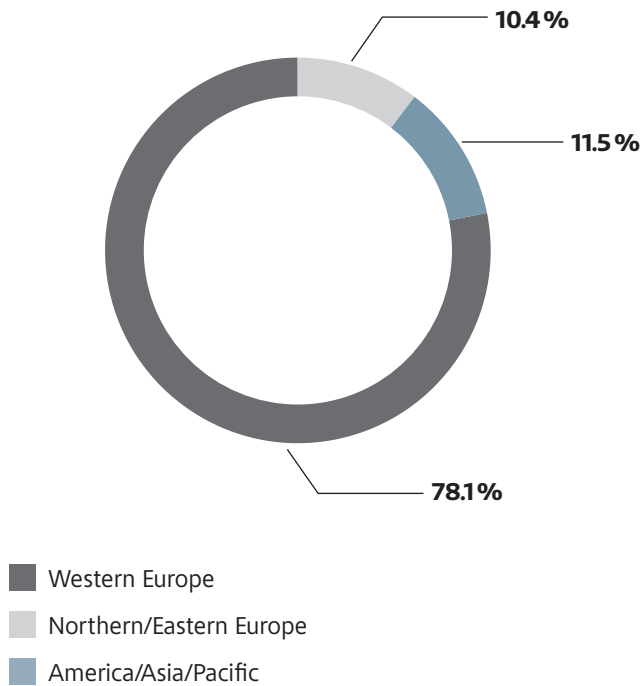
Total **current provisions and liabilities** decreased from EUR 225.1 million to EUR 221.0 million in 2025. Trade payables, which amounted to EUR 54.9 million (31 December 2024:

EUR 58.6 million), and current other provisions, which mainly comprised provisions for warranty obligations in the sales area, both declined. This item was reduced from EUR 35.2 million to EUR 32.9 million. Current borrowings remained at the very low previous year's level of EUR 1.7 million. Current lease liabilities rose slightly from EUR 25.5 million to EUR 26.2 million. Current other financial liabilities also increased slightly from EUR 38.8 million to EUR 40.9 million and current other liabilities from EUR 51.5 million to EUR 55.8 million. Current contract liabilities fell from EUR 2.4 million to EUR 0.4 million.

Current and non-current borrowings totalled EUR 1.7 million, as on the same day of the previous year. Taking cash and cash equivalents into account, net financial assets increased to EUR 113.0 million at the end of December 2025 (31 December 2024: EUR 109.2 million).

C. Other performance indicators

Sto Group employees as at 31 Dec 2025
by segment



Employees

On 31 December 2025, the Sto Group employed 5,482 employees worldwide, 117 fewer than on the reference date of the previous year (31 December 2024: 5,599). In the segment Western Europe, the workforce decreased by 44 to 4,281 persons (31 December 2024: 4,325; -1.0 %), in the Northern/Eastern Europe region by 13 to 568 (31 December 2024: 581; -2.2 %) and in the America/Asia/Pacific region by 60 to 633 (31 December 2024: 693; -8.7 %).

On the reference date, a total of 2,415 people were working for Sto outside of Germany, compared to 2,499 at the end of 2024 (-3.4 %). Here, the downsizing at several subsidiaries for economic reasons was contrasted by isolated new hires in national companies with short and medium-term growth prospects. The Group-wide number of personnel outside of Germany was 44.1 % (31 December 2024: 44.6 %). The number of employees in Germany decreased year-on-year to 3,067 (31 December 2024: 3,100; -1.1 %), which was mainly due to the restrictive recruitment policy. In January and February 2025, we counteracted the sales-related loss of work with short-time work at Sto SE & Co. KGaA.

At the end of March 2025, a pact for the future was resolved together with the General Works Council of Sto SE & Co. KGaA and StoCretec GmbH with the involvement of the Chemical Employers' Association and the IG BCE trade union, which sets out the collective bargaining framework for the years 2025

and 2026 for the employees of these companies. The agreement, which makes a significant contribution to improving the Group's earnings, is an impressive example of social partnership in action.

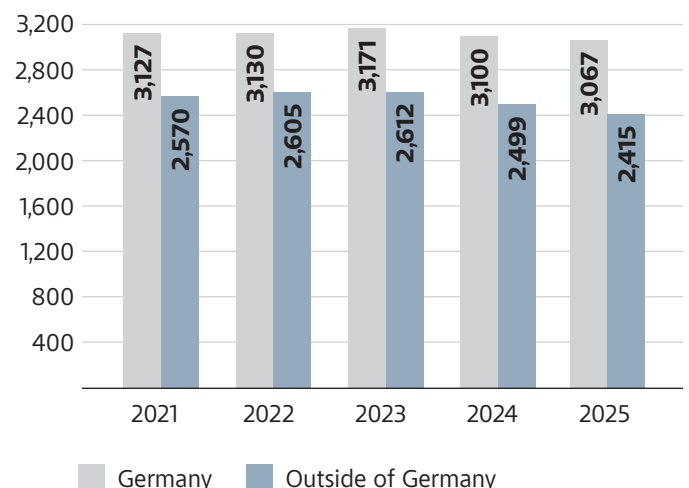
People as a success factor

The employees of the Sto Group are the foundation of our entrepreneurial success. With their expertise and commitment, they create the basis for excellent customer loyalty and our position in the market. In the 2025 financial year, our employees once again went above and beyond for the company and in some cases put personal matters on the back burner.

We follow the principle of not only demanding service from our employees, but also ensuring that every team member can fulfil their work to the best of their ability and continue to develop in line with the company's goals. We also want to offer the people who work for Sto a stable job with attractive conditions and prospects. In general, Sto's HR policy is based on a high level of personal responsibility in performance-oriented teams.

The successful recruitment of qualified personnel is significant for our corporate development – especially considering the demographic change and the current shortage of skilled workers in Germany. In 2025, individual vacancies at Sto SE & Co. KGaA could again only be filled with a time delay. This mainly related to trainee positions, the sales force and some special functions at the Group headquarters. To further improve our active recruitment, we increased our social media presence and recruitment activities via these channels in 2025. At the same time, participation in events such as training days and trade fairs at various locations was intensified. We want to interact with relevant target groups and present the company as an attractive employer. In the sales force, the programme with which we specifically develop talented young professionals was continued

Sto Group employees as at 31 December
Number



with new trainees. The development of the employer brand, a global project, was completed in the year under review and implemented with communicative measures at the sites.

Diversity and variety

As a global company with employees of many nationalities and cultures, we consider diversity to be a key driver of success, innovation, as well as employee motivation and satisfaction. That is why this aspect plays a significant role in our personnel decisions. We focus on heterogeneous teams that are better able to solve complex tasks and promote a high degree of diversity in order to utilise as many different skills and experiences as possible within the company. Tolerance with regard to ethnic origin, gender, age, sexual orientation, religion and persons with disabilities is a matter of course at Sto and is anchored in our Code of Conduct.

The average age of the Group workforce at the year end 2025 was 44.9 years (previous year: 44.5), while the share of female employees decreased slightly compared to the previous year to 25.3 % (previous year: 25.4 %). In all selection processes for personnel development programmes and high-potential programmes, including the succession planning strategy for key positions, we attach great importance to balanced staffing. In 2025, the proportion of women among the successful graduates of our high-potential programmes was 52 %.

HR strategy

The HR strategy was largely pursued unchanged in the 2025 financial year. The focus was on implementing the corporate culture, which is based on respect and ambitious participation. It is intended to motivate employees to assume responsibility for ambitious targets.

In 2025, we focussed on current and upcoming change processes and initiatives as part of the strategy implementation. Through training, communication and change measures,



At the 2025 year end, the Sto Group had a total of 5,482 employees globally.
Photo: Martin Baitinger, Böblingen/Germany

we are helping to prepare our employees for changed tasks and a new form of collaboration. Among other things, the 'Sto Culture Evolution' development programme, especially developed for managers, was continued.

Fluctuation

The consistently low fluctuation rate at Sto SE & Co. KGaA demonstrates the high level of loyalty of the workforce to the company. This rate is calculated by looking at the number of exits from the company (not including natural ones, such as people entering retirement) in relation to the average number of permanent staff. We are aiming for a target value in the mid-single-digit percentage range. In 2025, we were able to improve the ratio to 3.1 % (previous year: 4.1 %). The share of voluntary terminations decreased slightly to 1.6 % (previous year: 1.8 %). The average period of employment in the Sto Group was 11.9 years (previous year: 11.6), while employees at Sto SE & Co. KGaA work for the company for 14.1 years (previous year: 14.0) on average. These values also show the company's stability.

Health and well-being

With our global health management programme, we want to help promote the health and well-being of our employees in the workplace. It includes the identification and minimisation of health risks, the provision of safe working conditions, the ergonomic design of workplaces and preventive measures to avoid work-related injuries or illnesses. We continued our extensive catalogue of annual activities in the year under review. They include topics such as healthy nutrition and vaccination programmes. Our company bike model was also very well received.

Occupational safety

Compliance with the relevant regulations, through which we achieve a high level of occupational safety in the Sto Group, is consistently monitored in all companies. We want to achieve a rate of fewer than ten reportable accidents at work or on the way to and from work per 1,000 employees per year. Although the key figure for Sto SE & Co. KGaA improved slightly to 14.7 in the year under review, the target value was still exceeded (previous year: 14.8). The absolute number of occupational accidents increased from 28 to 33 compared to the previous year and the number of commuting accidents subject to reporting obligations increased from 5 to 14. The mainly minor incidents were mainly due to carelessness and human error.

In the event of reporting obligations and unsafe situations (near-accidents), managers are obliged to analyse the causes and, if necessary, initiate measures to prevent future accidents. In addition, there are numerous regular and situational training courses and instructions to increase occupational safety.

International certifications

External certifications attest to the Group companies' high standards in the areas of health and safety. A total of six companies were certified in accordance with the international occupational health and safety standard ISO 45001 at the end of 2025: the production sites of Beissier S.A.U. in Spain,

Shanghai Sto Ltd. in China and Sto Scandinavia AB in Sweden as well as the sales locations in Denmark, Finland and Norway.

All three plants of the US company Sto Corp. in Atlanta, Glendale and Rutland fulfilled the OSHA (Occupational Safety and Health Administration) standards, which document a high level of safety and health. The German subsidiaries Verotec GmbH and Innolation GmbH are surveyed in accordance with OHRIS (Occupational Health and Risk Management System), a globally recognised standard for the conveyance of occupational health and safety. The subsidiary in Singapore implements the regional bizSAFE programme, which focuses on building health and safety capacity in the workplace, and the French companies Innolation S.A.S. and Beissier S.A.S. have the RSE (responsabilité sociétale des entreprises) label.

Further education and training activities

With a comprehensive, Group-wide programme for further training and qualification, we create the opportunity to methodically train the skills of our workforce and prepare them for existing and future tasks. The aim is to realize our employees' potential as well as possible. The measures are aimed at both professional and personal skills and are geared towards current challenges.

In 2025, the focus was on preparing project responsables and managers for the ongoing and upcoming change processes as part of the reorganisation starting in 2026. For example, our management development programme 'Sto Culture Evolution' has been expanded to include the teaching of change management skills. The company-wide project for the introduction of the SAP S/4HANA ERP system was another focal point. In the course of implementation, all project participants and the employees affected should be prepared and supported in the best possible way for the associated changes.

In 2025, we have further expanded and supplemented our digital learning platform 'Learning@Sto', a corner stone of further training within the Sto Group. The learning content and materials bundled here, which are available in standardised formats worldwide, now comprise 994 classes in numerous languages. The focus is on the topics of leadership, personal and business skills, as well as communication and interaction issues. Regular refresher courses on compliance and security knowledge are also offered via the electronic platform.

Vocational training at Sto

106 new trainees and dual students have started at Sto in Germany for the 2025/26 training year (previous year: 79). The high increase in comparison to the previous year was due to a strong year of graduates and trainees leaving during the year, which were subsequently filled. In total, we offer vocational training in 29 industrial and commercial professions or fields of study. The total number of trainees and students working in Germany increased from 233 at the end of the previous year to 241 on 31 December 2025. This corresponds to a share of 7.9 % (previous year: 7.5 %) of the total German workforce, putting

Sto well above the cut for all companies in Germany (4.4 %) and Baden-Württemberg (4.1 %).

The focus of vocational training in 2025 was on the further development of training quality. To this end, training and support for trainers was further intensified at



Sto's vocational training rate of 7.9 % is considerably above the average for all the businesses working in the chemical industry in Germany.
Photo: Sto SE & Co. KGaA

Sto SE & Co. KGaA and centrally organised additional training courses were offered.

In order to promote vocational training at Sto and reach interested candidates, we continued our existing cooperation with schools and career fairs and took part in numerous events. We have further expanded our presence on social media and other internet channels and strengthened our online presence on trainee platforms in particular. Contents on vocational training can be found in the 'Careers' section on the website www.sto.de.

Research and development (R&D)

Sto is the world market leader for external thermal insulation composite systems and a major international manufacturer of products and systems for building coatings. The basis for our good market position is sustainable research and development work, with which we are constantly expanding the expertise and skills available within the company, offering our customers additional benefits and opening up new markets and potential for growth for Sto.

The main location of our development activities is Stühlingen/Germany. The Sto Group's R&D activities are concentrated in the competence centre there. It maintains an intensive bilateral exchange with the specialist departments of the subsidiaries in and outside of Germany, focussing on regional aspects. In addition to regular face-to-face meetings and meetings organised in online formats, at least one global meeting of all the Group's R&D departments is held twice a year.

Research and development expenses recognised through profit or loss amounted to EUR 15.7 million in the 2025 financial year (previous year: EUR 15.3 million). This corresponded to a share of 1.0 % (previous year: 0.9 %) of consolidated turnover. The number of employees working in R&D departments worldwide totalled 186 as at the end of 2025 (previous year: 178).

Focal points 2025

Sustainability plays a significant role in all R&D activities within the Sto Group. It is implemented in all phases of product development – from the selection and procurement of materials to manufacturing, environmentally friendly packaging and disposal.

In principle, we focus our development work primarily on potentially high-growth segments. In 2025, this included panel systems and projects with additional functions, for example. Advanced technological developments were also made in the field of innovative insulation materials in 2025.

The R&D departments' tasks also include ensuring the ability to deliver. We are constantly working on optimising our portfolio to ensure a reliable and cost-efficient supply of all the raw materials we need. Among other things, new raw materials are validated and recipes are changed in order to counteract price increases, replace materials that are difficult to procure and reduce dependencies on individual sources of supply. In addition, there are new environmental standards and statutory regulations, some of which make it necessary to revise recipes.

Industrial prefabrication of building elements is currently an important topic in the Sto Group. In the coming years, we will increasingly focus on the development of corresponding products and systems – both in the area of refurbishment and in the construction of new buildings. Among other things, we develop solutions for serial refurbishment in multi-storey residential buildings and support our market partners in the prefabricated house sector in already coating facade elements in the factory.



In 2025, Verotec GmbH added the StoCarrier Helio and StoCarrier Hydro variants to its range of carrier boards.
Photo: Sto SE & Co. KGaA

New and further development of products

Since the beginning of 2025, without exceptions, all of our facade paints have been equipped with a non-persistent, encapsulated film protection, which, with a half-life of less than three days, degrades much faster than persistent biocides used in conventional products. This protects the facade from infestation by microorganisms such as algae and fungi.

In 2025, Verotec GmbH added the StoCarrier Helio and StoCarrier Hydro variants to its range of carrier boards. Carrier boards can be used for rainscreen cladding facades, in external thermal insulation composite systems or in interiors, both in the construction of new buildings and in renovations. While StoCarrier Hydro was developed especially for rooms with a high moisture load, StoCarrier Helio made of expanded glass granulate is particularly suitable for walls and ceilings. Among others, the render carrier board is used as part of the StoReno In Protect M mould protection system.

Another new development was StoLevel In FF, a paste-form ready-to-use filler that accelerates and simplifies the filling and smoothing of plasterboard and concrete surfaces. StoLevel In FF is equally suitable for joints and surfaces.

The mineral levelling screed StoCrete TG 302 has been further developed technologically. Screed materials from StoCretec are easy to apply and impress with their longevity and durability. They level out damage and unevenness and are suitable for the repair of surfaces suitable for vehicle traffic in interior and exterior areas. The new version enables particularly fast application, as layer thicknesses of 6 to 100 millimetres can be applied in just one application cycle.

Awards

Two Sto products were honoured with the German Sustainability Award in 2025. The jury recognised them as a pioneering example of sustainable and future-proof construction. With the StoFix Circonic system, external thermal insulation composite systems can be fixed purely mechanically without adhesives. This saves material, makes dismantling easier and ensures that the components are separated by type. This reduces the workload and waste and increases efficiency, especially during refurbishments. With the second award-winning product, StoLevel Neo AimS, Sto has launched the first 100 % cement-free mineral bonding and reinforcing mortar for external thermal insulation composite systems on the market. It reduces CO₂ emissions during manufacturing by around 50 % and also enables the use of soft wood fibre insulation materials – a real advance in resource-saving construction. According to the jury, both innovations show that even proven technologies offer great potential for more climate protection and resource conservation.

Fundamental research

Sto's extensive fundamental research in 2025 focussed on innovative insulation materials. In addition to materials research, new types of production processes are increasingly being investigated that offer advantages in terms of both quality and

sustainability. The circular economy, recyclable products and systems as well as the use of recycled raw materials were an integral part of our fundamental research.

We work with numerous external partners to support our research activities. These activities were further expanded in the year under review, particularly in the academic field. Among others, we co-operate with the universities in Braunschweig/Germany, Frankfurt am Main/Germany and Munich/Germany. New additions include projects with the Technical University of Dresden/Germany, the University of Stuttgart/Germany and other partners from the industry and the housing sector.

Certified quality management

All the production facilities within the Sto Group are registered in the integrated management system, which incorporates the relevant quality, environmental, safety and energy management systems. A total of 28 of the 32 production sites in existence at the year end of 2025 complied with the international quality management standard ISO 9001:2015. New additions in the year under review were JONAS Farben GmbH and Ströher Produktions GmbH & Co. KG. These two subsidiaries and Sto S.A.S. in France were also certified according to ISO 14001:2015 for the first-time in the year under review, meaning that 24 of the Group's companies complied with this environmental management standard on the reference date. The ISO 50001:2018 standard for the improvement of energy efficiency was established at all production plants and German SalesCentres of Sto SE & Co. KGaA as well as in ten subsidiaries, with STOMIX spol. s.r.o. in the Czech Republic being certified for the first-time in the year under review.

In order to ensure a high level of quality at all stages involved in the manufacturing process, the Sto Group's plants are continuously monitored and optimised where necessary. This includes



The Sto team was delighted to receive the double award of the German Sustainability Award for the adhesive-free ETICS fixing system StoFix Circonic and the first 100 per cent cement-free mineral bonding and reinforcing mortar for ETICS, StoLevel Neo AimS.

Photo: Christian Köster

external surveillance audits and spot checks, which are carried out on the basis of a certification matrix, as well as internal audits. Bought-in products, particularly in the area of expanded polystyrene insulation board production, are also regularly analysed. Here too, the products to be tested are selected at random using a defined process.

Production⁴

At the end of 2025, the Sto Group's production network consisted of 32 locations. As in the previous year, there were twelve permanent establishments in Germany and 20 outside of Germany. Capacity utilisation throughout the Group was good to satisfactory.

The Sto Group's most important self-manufactured products are coating materials such as renders and paints, adhesives and reinforcing compounds as well as floor coatings. We also manufacture some of the polystyrene (EPS)-based insulation materials required at the Innolation GmbH sites (Lauingen/Germany and Amilly/France), which are used exclusively within the Group, and special EPS-based insulation materials in Sweden.

The Sto Group's production equipment is continuously optimised, brought up to the latest state of the art and further developed as required. This enables us to ensure the high quality level of our products, increase the efficiency of our processes and increase customer satisfaction. As in all areas of the Group, we pay consistent attention to sustainability in all our measures.

One of the most important projects as part of the modernisation of existing installations is the Retrofit programme, which has been running for years. The focus here is on the replacement of production control and process control systems in existing plants and the installation of a standardised, IT-based system. This optimises and digitally supports processes in the production environment. The changeover at the German site Tollwitz took place at the turn of 2024/2025 and the initial operation at the plant in Linköping/Sweden was completed at the beginning of 2026. The production areas for the manufacture of liquid and paste-form products in Stühlingen and the Donaueschingen plant (both in Germany) are already equipped with the modern system.

A modern production plant for dry mortar products was put into operation in Melbourne/Australia in the year under review. We built a new production facility for organic products in Monterrey/Mexico, which was completed in the first quarter of 2026. In addition, renovation and expansion measures were carried out at various locations in 2025, such as in Kriftel/Germany, where a new packing plant was installed.

⁴The chapters 'Production' up to and including 'Procurement' contain the disclosures typical of the management report, which also deal with the Disclosure Requirement [ESR 2 SBM-1] of the ESRs.

To enable us to react quickly if necessary and optimise processes, the non-conforming batch rate is regularly recorded in the plants. This share of the total production volume that cannot be delivered due to defects was 0.11 % in the European Sto plants in 2025 and thus again at a low level. However, the target value of less than 0.09 % was not achieved on average. In order to further improve the quota, regular training and qualification measures are organised for the workforce.

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

Procurement

In comparison to the previous year there were hardly any changes to the procurement portfolio. The main feedstocks and raw materials that we purchase are insulants, dispersions and dispersible polymer powders, epoxy resins and their hardeners, fillers, pigments and packaging materials. Concerning insulation materials, the trend towards mineral wool continued, while demand for expanded polystyrene insulation was declining. The Group-wide procurement volume decreased by around 3.7 % compared to the previous year.

The supply situation was largely stable in 2025. All essential materials required were generally available in sufficient quantities and the global supply chains were generally reliable. Shortages only occurred in a few individual cases and were compensated for by alternative sources of supply.

Purchasing prices for raw materials and bought-in products developed in different ways: while there were price increases for cements, extenders and packaging materials, among others, savings were achieved for organic binders, pigments and

insulating materials. The procurement costs for the energy sources electricity and gas are secured by long-term contracts and were stable. There was an increase in the transport sector, mainly due to higher maintenance and operating costs. In comparison to the previous year, the Sto Group's cost of goods sold as a percentage of total revenues decreased slightly from 45.7 % to 45.4 %.

Procurement management

The reliable and continuous supply of all required materials to the Sto Group's production facilities is ensured by Group-wide procurement management. It is based on close cooperation with our suppliers, forward-looking procurement planning, early conclusion of contracts, a consistent multiple-supplier principle and stock levels adapted to the situation. Sto SE & Co. KGaA centrally manages for the procurement of capital goods, services as well as consumables, and supports the subsidiaries by providing tailored consultation services, expertise, and state-of-the-art procurement methods.

In 2025, the 'Demand-driven supply chain' initiative was at the centre of activities. It is part of Sto's 2030 strategy and aims to increase delivery reliability and – as a result – customer satisfaction while optimising the use of internal resources. The Sales and Operations Planning (S&OP) process makes an essential contribution to the implementation. This global planning process, which was introduced in the first companies in 2025, is used to coordinate and optimise sales, production, procurement and warehouse capacities across the Group. Europe-wide implementation is planned by the end of 2026.

In addition, preparations were made for the use of a new purchasing software in 2025, which will enable centralised management of all purchasing departments within the Sto Group and is an important component of the Supply Chain Strategy. SAP Ariba is a sub-project in the introduction of the SAP S/4HANA ERP system, which is scheduled to run for several years and is helping to standardise all processes with our suppliers across the Group.

As part of the S&OP implementation, the forecast method for purchasing was revised in 2025. Among other things, this led to a more demand-oriented stocking of SalesCentres and a stronger incorporation of external market factors into demand planning. Together with the good availability of raw materials, primary materials, finished goods and bought-in products, this enabled Sto SE & Co. KGaA to improve its delivery service level to customers from 97.3 % in the previous year to 97.8 %. Across the Group, the service level reached 84.8 %. By successively linking the Group companies to S&OP and increasingly centralising the management of procurement planning, it should be further improved in the short term and brought into line with the high level of the parent company.

The key figure for supplier evaluation, which was previously measured twice a year, was revised in 2025 and the valuation method changed in this context. It is therefore not possible to make a comparison with the previous years' values. New



Extensive Retrofit measures were also underway at the Sto production plant in Tollwitz/Germany
Photo: Sto SE & Co. KGaA



The Sto Austria team is successfully involved in the Sales & Operations Planning (S&OP) process. It optimally coordinates the required quantities of sales within the region with the activities of purchasing, production and logistics.

Photo: Martin Baitinger, Böblingen/Germany

criteria incorporated include sustainability, a risk assessment along the supply chain and price stability. The target value for supplier evaluation set by Sto SE & Co. KGaA is 85 points from 2025 (previously: 90). A value of 79.7 points was achieved in the year under review.

Distribution of the procurement volume

In 2025, the majority of Sto SE & Co. KGaA's procurement volume – 74 % in total – came from the German market. Group-wide, the purchasing volume sourced in Germany was around 50 %, whereby only Sto companies that are integrated into the SAP ERP system could be taken into account. In the ranking, Germany is followed by European countries such as France, Austria and the Netherlands.

D. Risks and opportunities report

Risks and opportunities⁵

As a company with international operations, the Sto Group is faced with risks and opportunities, which we define as possible deviations from planned earnings. The targeted management of opportunities and risks is one of the fundamental components of our corporate governance and is of importance for the long-term positive development of the Sto Group.

The **Risk strategy** defined by the Executive Board of STO Management SE stipulates that any opportunities that arise should be consistently utilised and that risks should only be taken if an appropriate contribution to earnings is expected and a threat to the company's continued existence can be largely ruled out.

Internal control system

As a supplement to the Sto Group's risks and opportunities management system, we have also implemented an **Internal Control System (ICS)**. It includes principles, procedures and measures to ensure the effectiveness, efficiency and correctness of Group accounting and compliance with the relevant legal requirements, as well as an internal monitoring system. It is made up of process-independent and process-integrated elements such as the important dual control principle, which is supplemented by automated IT process controls.

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

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

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

An internal manual containing the corporate accounting guideline in line with IFRS is regularly updated and provides the basis for drawing up the annual financial statements, which must be included in the consolidated annual financial statement of the Sto Group. It ensures the uniform implementation of valuation and reporting rules throughout the Group. All balance sheets as

well as income statements and statements of cash flows drawn up by the subsidiaries and other business units are audited by the Sto Group accounting department to verify that they are correct, complete, and in compliance with the accounting guideline.

We ensure the correctness and reliability of our accounting processes by applying specific key figure analyses. Complex business transactions are processed or checked by different people. The separation of administrative, executing, accounting, and approval functions, and the performance of these functions by multiple persons (dual control principle), also reduces the attendant risks.

For a large number of selected operating companies, an annual financial statement meeting is held, which is attended by the local managing director, representatives of Group accounting and, usually, the Chief Financial Officer of STO Management SE as a representative of the Group's parent company. The local auditor is also present at the meeting. Additionally, the Group auditor, Internal Audit, Central Investment Controlling, or a national control committee – such as the Board of Directors – participate in the meeting if necessary. The rules of procedure for managing directors in the Sto Group include mandatory rules for correct conduct of different processes, which must be adhered to throughout the Group.

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

A standardised reporting system for compliance breaches is publicly accessible via the website at www.sto.de. Misconduct can be reported anonymously and investigated comprehensively around the clock, with whistle-blowers protected from sanctions. The system can be used by employees and managers as well as by customers, suppliers and other stakeholders. It is administered by an independent operator and its data is stored on protected servers located in Germany. The contents of the reports are processed exclusively through Sto.

The effectiveness of the risk management and internal control system is regularly reviewed in accordance with statutory requirements. Firstly, internally by the Central Investment Controlling department, Group Accounting and Internal Audit, which examines both the ICS and the risk management system

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

as part of regular audits. The functionality and effectiveness of the risk management system is also analysed in order to contribute to an improvement in our understanding of risk. Secondly, as part of the audit, the chartered accountant reviews, in accordance with statutory requirements, whether the system for the early detection of risks is suitable in all key respects for the early detection of facts that could jeopardise the continued existence of the company. Audits completely independent of the processes concerned are also carried out by the Audit Committee of the Supervisory Board.

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

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

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

Risk management system

For the active management of risks, Sto uses a comprehensive **risk management system (RMS)**. It is an integral part of the business, planning and control processes and allows the identification and analysis of risks in good time, the assessment of the expected effects on the assets and liabilities, financial, and income situation, and – where necessary – the introduction of appropriate countermeasures.

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

Any threat to the company's continued existence from the perspective of the assets, liabilities, financial position and profit or loss is assessed by determining and analysing the **risk-bearing capacity**. It is defined as the maximum extent of risk that the Sto Group can bear over time without endangering its own continued existence over time. To this end, the company-wide risk-bearing capacity is first assessed in relation to the overall risk position, which results from the gross risk less the effect of risk management measures. The risk-bearing capacity was defined on the basis of KPIs (key performance indicators) and threshold values that would indicate possible over-indebtedness or insolvency. If the overall risk position reaches a critical level in terms of risk-bearing capacity, the Sto Group's risk management and early warning system will promptly draw attention to this. This is to ensure that countermeasures are taken in good time to keep the overall risk within an acceptable range. To determine the Sto Group's overall risk position, quantified risk reduction measures are requested from the individual companies, which are deducted from the gross overall risk. In 2025, the overall risk position of the Sto Group – as determined via the risk inventory – was below the threshold values defined for indicating a problem in relation to the risk-bearing capacity.

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

The risk areas were each assigned to a risk class and labelled as to whether the risk area is categorised as remaining the same, falling or rising in comparison to the previous year. The change is generally based on the revised expected value, formed from the probability of occurrence and the extent of loss or damage.

Effectiveness Statement Internal Control System and Risk Management System⁶

The Executive Board of the personally liable partner STO Management SE has initiated and implemented an integrated approach to governance, compliance, and risks that aims to ensure adequate and effective internal control and risk management. The measures implemented as part of this approach are intended to ensure the effectiveness and adequacy of the internal control system and are described, for example, in the opportunities and risk report. They also include processes and systems for the recognition and application of sustainability-related data. Independent monitoring and audits take place, especially through audits by the Internal Audit division and its reporting to the Executive Board of the personally liable partner STO Management SE as well as to the Audit Committee of the Supervisory Board. There are also external audits. Based on the

Explanation of the probability of occurrence

Low	< 5 %
Moderate	5 % to 20 %
High	20 % to 50 %
Very high	50 % to 100 %

Explanation of extent of loss or damage

Extent of loss or damage	Definition of the extent of loss or damage
Serious	> EUR 39 million Significant negative impact on earnings
Significant	EUR 18 million to EUR 39 million Noticeably negative impact on earnings
Moderate	EUR 10 million to EUR 18 million Negative impact on earnings
Low	< EUR 10 million Slightly to moderately negative impact on earnings

Material risks

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

examination of the Internal control and risk management as well as the reporting of the Internal Audit function, the Executive Board of the personally liable partner is not aware of any significant circumstances that speak against the adequacy and effectiveness of these systems.

Material risks

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

Sales risks, overall economic and industry-specific risks

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

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

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

The energy price level, in particular the price of crude oil and natural gas, which has a significant influence on the

⁶The disclosures in this section are so-called non-management-report disclosures. The recommendations of the German Corporate Governance Code in the version published in the Bundesanzeiger (German federal government gazette) on 27 June 2022 stipulate disclosures on the internal control system and the risk management system that go beyond the statutory requirements that are placed on the Management report and that are hence excluded from the audit of the Management report in terms of content by the auditor (non-management-report disclosures).

Risk matrix

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

Probability of occurrence

Very high				
High				
Moderate				
Low				
	Low	Moderate	Significant	Serious

Extent of loss or damage

amortisation period of energy-related investment measures, also determines the demand for building products. If energy prices continue to fall or remain low, the entire sector faces the risk, however unlikely in the current environment, that it will be unable to fully exploit the existing sales potential.

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

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

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

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

A significant rise in demand would be accompanied by the risk that it may not be possible to exploit sales potential to its full extent, at least over the short term, due to factors such as limited capacity in traditional trade enterprises. In addition, there is a significant increase in recruitment difficulties, particularly in the specialised trade, which could lead to an additional reduction in capacity. We counteract this risk through our varied activities in the promotion of young talent, including through the Sto Foundation, as well as through the qualification of our customers. We are also working on solutions that increase the level of automation both in industrial prefabrication and during application on the construction site, for example with the help of robotics.

We generally counter the aforementioned sales risks by internationalising our business activities, which ensures regional diversification and makes us less dependent on material-related variations in individual countries. The risk is additionally spread thanks to the breadth and depth of the range, as well as the large customer base. Political decision-makers have committed themselves to pursuing aims relating to energy savings and CO₂ reductions more vigorously, which is increasing the likelihood of favourable general conditions being achieved. (risk class 1)

Dependence on weather conditions

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

Legal risks and warranty risks

Sto is confronted with amendments to international and national general conditions in the USA, Great Britain, Canada and the European Union, among others. These include, for example, amendments to statutory warranty periods, which can also be made with retrospective effect, or the arbitrary introduction of customs duties. The EU directive EmpCo (Empowering Consumers for the green transition), which was issued in March 2024 to combat greenwashing, among other things, also has impacts on the Sto Group. The new regulation provides for stricter requirements for the presentation of information on the environmental properties of products and companies, which has significant consequences for Sto's labelling obligations, among other things. A further tightening of the requirements is expected with the adoption of the Green Claims Directive, which is currently still under discussion. It is intended to supplement the EmpCo specifications. As some of the amendments are

implemented unannounced and are therefore unpredictable, considerable risks may arise for the Sto Group.

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

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

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

Under the current EU Commission, the "European Green Deal" and the "Chemicals Strategy for Sustainability" were followed in February 2025 by the "Clean Industrial Deal" and the "Chemicals Industry Package" announced therein. In July 2025, the EU Commission presented the "Chemicals Industry Action Plan". Among other things, it announces a proposal for a 'targeted revision of the REACH Regulation'. It aims to simplify regulations and accelerate procedures for the industry, taking into account competitiveness, safety and sustainability considerations, while ensuring a high level of protection for human health and the environment. No details of the specific contents have yet been revealed. Following the negative assessment by the Regulatory Scrutiny Board in September 2025, the Commission will have to revise its draft impact assessment again, meaning that the proposal for the REACH revision is not expected to be presented before the second quarter of 2026.

Even though issues such as simplifying regulations and increasing the competitiveness of the industry are becoming increasingly important in EU legislation, new bans and restrictions on chemical substances and their use must still be expected in the coming years. This will affect producers of chemical substances as well as downstream users. Sto actively accompanies the development of these initiatives in order to recognise potential risks that could result for the Group in advance and to develop alternatives so that safe and high-performance products for sustainable construction can continue to be offered in the future.

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

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

For the Sto Group, protecting the personal rights of customers, employees, shareholders, business partners, and suppliers is an important and self-evident objective. When the General Data Protection Regulation (GDPR) came into force on 25 May 2018, data protection became a much more pressing topic. All Sto companies subject to the scope of the GDPR have adapted to the requirements and implemented governance structures and processes accordingly.
(risk class 1)

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

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

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

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

We counter the risks identified through forward-looking procurement planning, early conclusion of contracts with our partners and suppliers, a consistent multiple-supplier principle,

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

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

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

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

Geopolitical and country-specific risks

Geopolitical risks include political, economic and military tensions between states that affect global markets, supply chains and security. They have increased significantly in recent years, particularly as a result of conflicts between major powers, wars and the erosion of the rule-based world order. The acts of war between Russia and Ukraine and, since the end of February 2022, between Iran, Israel and the USA, as well as the conflict in the Middle East and tensions between the USA and China, particularly over Taiwan, have significantly increased the overall geopolitical risks. Political conflicts, armed conflicts and other geopolitical crises in the regions in which Sto operates can make market conditions or access, the supply of relevant

raw materials and bought-in products and the use of transport routes more difficult or impossible. Sto constantly monitors developments in affected countries and reviews its investment and market cultivation strategy in order to minimise risks.

The consequences of the war between Russia and Ukraine as well as the sanctions introduced, the Middle East conflict, the armed conflicts between Iran, Israel and the USA, which also affect Gulf states that produce oil and natural gas, and other trouble spots and conflicts, are also expected to have negative impacts on the global economy in the current year and in subsequent years. Possible serious consequences include an increase in energy prices, procurement prices overall, inflation and interest rate risk, disruptions to supply chains and the associated limitation in the availability of goods and resources, as well as increasing reluctance to invest.

The US administration's statements and communicated considerations regarding its views and approach to selected states and regions, such as Iran, Venezuela, Greenland, or Canada are causing uncertainty and possible risks.

The future development of the geopolitical situation can hardly be reliably assessed at present. This can result in significant growth losses. Furthermore, the conflicts are creating new geopolitical scenarios, which means that the uncertainty and negative impact on the development of the global economy and international capital markets could increase dramatically overall. This particularly applies if the conflicts should spread geographically or extend over a long period of time, neither of which can be ruled out.

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

The continuous internationalisation of our business activities is one of Sto's material strategic targets, spreads the entrepreneurial risk and partially offsets fluctuations in individual countries. This means that Sto is very well diversified in regional terms. Due to our high local value creation in the USA, we are currently only insignificantly directly affected by tariff measures. However, tariffs can have an indirect impact on our business, for example through tariffs on wood and steel products from Canada for the construction industry in the USA.
(risk class 2)

IT risks

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

To minimise risks, Sto operates an active information security management system (ISMS) that identifies and evaluates risks and develops and monitors appropriate measures. In addition, a Security Operation Centre (SOC) ensures a rapid response to security incidents around the clock. Implementation is carried out by a team of internal and external IT security experts. Regular security audits support the identification of weak points and their prompt elimination. The number of detected attacks continued to increase in 2025. Further measures are therefore required in the future to counter the growing risk of cybercrime.

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

The implemented and planned measures address the following main priorities:

Continuity:

The core systems required for the operational business, such as SAP, are redundant and fully virtualised. This ensures maximum continuity of the systems and the appurtenant services. Data in cloud solutions also remains protected even in the event of serious failures.

In order to raise our customer and back-office processes to the higher standards defined in our corporate strategy and thus counteract any weak points and risks, Sto has decided in favour of implementing the SAP S/4HANA ERP system. The technical infrastructure for this was prepared in 2025. Security aspects are taken into account as an integral part of the project and role and user concepts are fundamentally revised.

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

Integrity:

To prevent unauthorised access to the information systems of Sto SE & Co. KGaA and its fully integrated subsidiaries, Sto uses state-of-the-art IT security solutions that are available on the market. These protect data, terminal devices, local networks, wide-area networks and computing centres. The IT regulations define a restrictive approach to issuing access authorisation, which is based on the principle of least privilege. Users of the IT systems are largely authenticated via a centralised Identity & Access service, which provides functions such as multi-factor

authentication, plausibility checks, application-level protection and continuous monitoring.

As a result of the increasing number of cyber attacks, training measures on the topic of cyber security, supported by internal phishing tests, continued to be stepped up in 2025. Regular warnings and recommended courses of action are published via internal communication channels. A knowledge database also supports the workforce in dealing with cyber risks.

In addition, Sto uses artificial intelligence to recognise attack patterns. These systems were further improved in 2025 in collaboration with external service providers. Moreover, the back-up systems were increasingly secured against cyber attacks.

Availability:

The redundant configuration of all core systems and network connections ensures maximum availability for all key business processes. An automated monitoring system permanently monitors system availability. The risks caused by system failure or inadequate update capability are reduced by successive modernisation of all relevant components. The continued standardisation of the IT environment helps to reduce complexity and increase efficiency of security measures.

In 2025, the Retrofit programme, which comprises numerous replacement and expansion investments at the Group's production sites, was driven forward to such an extent that the respective IT systems at four selected sites in Germany and Sweden meet the requirements of Industry 4.0 and are operated in especially protected networks.

Sto is actively promoting digitisation, which is also changing construction methods and processes in the construction and building materials industry. Targeted investments can be used to exploit new digital developments and increase efficiency, for example through better management of inventories and production. Insufficient digital progress, on the other hand, could lead to a loss of efficiency and competitive disadvantages. (risk class 2)

Financial risks

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

As a result of the internationalisation of its business activities, the Sto Group is exposed to currency risks. To control these, we carry out currency forwards that usually have a term of up to one year. Throughout the Group, relevant risks from foreign currency cash flows are analysed, recorded, and, where possible, reduced by applying suitable hedging measures at the budget creation stage. Our main focus is on the currencies of countries with which we maintain regular supply and cash flows necessary to maintain business operations as well as intra-group financing. In the 2025 financial year, this applied to Switzerland, Australia, Hungary, Norway, the Czech Republic and Sweden, among others. In specific cases and where necessary, we perform additional hedging. The changes in fair value were recognised in the statement of profit or loss with an impact on profit or loss in the year under review.

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

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

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

In order to reduce our exposure to liquidity risks, we also maintain intensive communication with our banks and operate an

active financial management system. This includes the use of derivatives in the form of interest swaps as a means of reducing the risk of changes in interest rates in the case of long-term, interest-bearing liabilities to banks. We did not make use of interest rate swaps in the 2025 financial year.

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

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

(risk class 2)

Human resources risks

The expertise and enormous dedication of the Sto employees are amongst the key building blocks of our success. The accelerated digitisation in the working world and the increasing impacts of automation and artificial intelligence are leading to changes in qualification requirements. If, in the light of competition for skilled specialists and managers, we do not succeed in recruiting appropriate personnel, this may have a negative impact on the development of the Sto Group. This risk is significantly exacerbated by medium- to long-term demographic trends, particularly in the western industrialised nations, where baby boomers will be retiring in the coming years. This makes it more difficult to find talented young professionals, and the number of people leaving the company for reasons of age will increase, resulting in loss of knowledge. Regulatory

requirements and societal expectations, for example with regard to working models in various industrialised nations, restrict the scope for action in some cases and thus increase the risks.

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

(risk class 3)

Risks concerning processes and added value

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

(risk class 3)

Climate and environmental risks

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

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

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

and reputational risk, but also opportunities. Increasing awareness of the serious consequences of climate change will lead to a change in consumer and investment behaviour.

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

At Sto, measures and products that contribute to decarbonisation and hence to the reduction of CO₂ emissions make up an essential part of the business model. The Sto Group consistently focuses its organisation on sustainability and provides its customers with resource-efficient solutions that make a direct contribution to the reduction of energy consumption and CO₂ emissions. We are also working continuously to reduce our own carbon footprint.

(risk class 3)

Tax-related risks

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

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

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

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

(risk class 3)

Overall risk exposure

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

enduring and significant adverse consequences for the asset, income, and financial situation of the Sto Group.

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

Opportunities report

We estimate that the opportunities for the Sto Group's development will outweigh the risks in the long term. Both the company's environment and its own strengths offer a wide range of opportunities for future growth, which are presented below.

Opportunities from the environment

The building sector accounts for a significant part of total energy demand and greenhouse gas emissions. This sector accounts for around 30 % of CO₂ emissions in Germany and around 38 % worldwide. By improving the energy efficiency of buildings, the amount of energy required for their operation is reduced, leading to a reduction in emissions and operating costs. This is in the interest of global climate protection and at the same time reduces the burden on citizens.

Sto products and systems bring about an improvement in the energy efficiency of buildings, thus supporting these ecological and economic benefits. This opens up major sales opportunities worldwide. In the medium term, we therefore expect a surge in demand in the market segments we cover. In addition, an insulated building is essential for the efficient use of heat pumps. The insulation ensures that the heat pump can operate permanently at low temperatures and with less capacity in the economic range.

Despite the enormous potential, sales of external thermal insulation composite systems in Germany have not risen in the last ten years, but have fallen since 2021. This drastic contradiction to national and international climate targets shows that investors continue to be very hesitant. In order to ensure planning security and thus accelerate growth, targeted political impetus must be provided and clear funding conditions created. If suitable programmes are implemented in Germany and other countries, there will be considerable opportunities to use the existing market potential, which should benefit Sto as the world market leader. At EU level, the European Green Deal, which aims to make Europe more sustainable by transforming the economy, energy supply, transport and industry, may lead to an increase in demand for external thermal insulation composite systems. The consistent implementation of the set climate targets is likely to trigger a surge in renovation in the construction sector.

The need for energy-efficient building refurbishment is being accelerated by the current rise in gas and heating oil prices. As energy costs rise, the economic benefits of good thermal insulation become significantly more important, as the initial

outlay on measures to increase energy efficiency amortises much more quickly.

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

If the economy in Sto's key markets develops better than expected, as indicated by the recent rise in the number of building permits, there will be opportunities for organic growth. The improvement in financing conditions could also drive demand. In regional terms, we see growth opportunities outside of Germany in particular. Sto is constantly examining additional promising sales regions and intensifying its activities in countries where the company is already represented.

The end of military disputes such as the Russia-Ukraine conflict or the lasting easing of conflicts could lead to new sales opportunities or more stable general conditions as well as confidence and a positive atmosphere.

Opportunities from the company's strengths

The chapter on external opportunities explained that Sto's business model offers considerable potential for growth. Sto technologies cut heating costs, reduce CO₂ emissions and make a significant contribution to independence from energy imports.

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

There are opportunities for future growth not only in facade systems, but also in the other product areas in the Sto Group, where we benefit from the broad positioning with regard to different markets and customer groups. Our innovative, optimally coordinated product range meets the requirements of the respective markets, is continuously expanded and optimised by new technological developments and digital tools, serves the needs of many target groups and gives building owners maximum individual design freedom.

In the future, Our broad sales base will be strengthened by an omni-channel approach that complements the direct distribution approach we have been practising very successfully for years. In addition to the personal support provided to customers by the dedicated sales team and in the SalesCentres, customers have access to other sales channels such as a web shop that can be reached around the clock from any location. This also strengthens Sto's opportunities.

There is also potential from further technical developments. For example, complete solutions with a high degree of pre-fabrication can increase efficiency in construction and have a number of advantages. Coating facade elements in the factory, for example in prefabricated house construction, shortens the construction time and makes the application independent of the weather. This will also enable us to counteract the shortage of skilled workers. We want to expand these activities and are tapping into new growth areas with solutions for serial refurbishment in multi-storey residential construction, among other things.

Equipping the organisation with suitable digital tools and solutions as well as a modern system and data architecture also offers significant internal potential. The Group-wide introduction of the SAP S/4HANA ERP system over the next few years is of central importance as part of the digital transformation. This enables us to make our processes even more efficient, harmonise workflows and meet our customers' requirements in the best possible way.

The great expertise and commitment of our workforce, which we promote in a targeted and sustainable manner, is essential for the profitable, capital-efficient growth that we are striving for. Thanks to the commitment, experience and expertise of our employees, we are able to cope with fluctuations in demand and capacity utilisation and fulfil our performance promise to our customers even in a difficult environment. In this way, the employees we want to keep in the company in the long term make a significant contribution to utilising the existing market potential.

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

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

E. Outlook report

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

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

Global economy

According to estimates by the International Monetary Fund (IMF), global economic growth will again be around 3.3 % in 2026. The IMF is forecasting a 4.2 % increase in GDP for developing and emerging countries. India (+ 6.4 %) and China (+ 4.5 %) are expected to see above-average growth. An increase of 1.8 % is expected in the industrialised nations, with rates of growth of 2.4 % in the USA and 1.3 % in the eurozone.

The German economy is likely to grow more strongly again in 2026 than in recent years. The IMF is forecasting an upturn of 1.1 %. Among other things, high government spending for defence and in connection with the special fund is providing a current boost and cushioning the slowing US tariffs. This means that Germany is again outperforming other G7 countries: Italy is forecast to grow by only 0.7 %, while France is expected to grow by 1.0 %. In Spain, the IMF expects growth of 2.3 %.

Overall, however, the IMF sees more risks than upside potential for global economic development in 2026. The expansion of existing and new trade and geopolitical tensions could increase uncertainties and weigh on growth, supply chains and the financial markets. High budget deficits and government debt may lead to a long-term rise in interest rates, which would curb the willingness to invest. The experts also point to a possible bursting of the artificial intelligence bubble, with impacts on other industries. On the other hand, AI technology could also drive sustainable growth.

Trends for the international construction industry

The **German main construction sector** is expected to pick up again moderately in 2026 after four years of decline in turnover. The Hauptverband der Deutschen Bauindustrie e.V. (Main Association of the German Construction Industry) expects the German government's multi-billion infrastructure programme to get the industry moving and is forecasting growth of 2.5 % in real terms this year. Turnover in residential construction, which stabilised slightly over the course of the year 2025, is expected to increase by 2.0 %, although the completion figures will initially continue to decline due to the long lead times. According to the association, around 200,000 flats will be completed in Germany in 2026 (previous year: 225,000). An increase in turnover of 4.0 % is expected in commercial

construction, while public-sector construction is expected to increase by 1.5 %. According to the industry association, a sustainable increase in turnover will require the government to stimulate growth with specific contracts and tenders, which should be significantly accelerated, as well as a considerable reduction in regulatory hurdles.

The forecast for the German **market for paints and lacquers** remains restrained. For 2026, the Verband der deutschen Lack- und Druckfarbenindustrie e.V. (Association of the German Paint and Printing Ink Industry) expects only a slight slowdown in the decline due to the turnaround in the construction industry. Estimates for the architectural coatings segment are even more cautious, as new residential construction, which is crucial for demand, is only recovering slowly. A decline of around 3 % is expected in this sub-sector in 2026.

The German **external thermal insulation composite system market** is expected to return to positive growth for the first-time this year. The market research institute B+L Marktdaten GmbH is forecasting growth of 2.5 %. The reasons cited by the institute are rising building permits in residential construction and stabilising property markets, which generally increase the number of relocations and renovations, including energy upgrades. At the same time, B+L points to the continuing tense situation in the renovation sector as a result of the ongoing uncertainty.

A noticeable upturn is expected in **European construction** in 2026. The Euroconstruct network expects the market volume to grow by 2.4 % in real terms in the 19 countries included. Due to the enormous regional demand, residential construction is likely to develop particularly dynamically (+ 2.3 %). The volume of renovation measures on existing housing, which exceeds the volume of new construction in Europe, is expected to rise by 1.2 %. This means that the increase will remain below the increase in the construction of new buildings, which is expected to be 4.1 %, despite the government subsidy programmes that will provide considerable support for the sector in the medium term. Non-residential building construction is expected to increase by 1.9 %, with government-related construction areas such as education and healthcare growing in particular, according to the forecast.

No turnaround is expected in **the US construction sector** in 2026. As the country's customs policy continues to cause a great deal of uncertainty, companies lack a basis for investment decisions. Consumers are increasingly worried about their jobs due to the expected slowdown in economic growth. This is having a particularly negative impact on the largest segment of the US construction sector, private residential construction. In addition, tariffs increase prices, especially for wood and steel, which drives up construction costs.

Expectations in the **Chinese construction industry** are also subdued. The world's second largest economy is facing numerous problems, first and foremost the property crisis that has been ongoing for four years and is increasingly impacting other economic sectors. Falling property prices are leading to a loss of prosperity and thus weak domestic consumption, as home ownership is an important retirement provision for many Chinese families. Added to this are the trade disputes with the USA, which are having a negative impact on China's export business. Overall, the IMF expects economic growth in China to weaken in 2026.

Projected performance of the Sto Group

The general conditions for the Sto Group will remain challenging in the 2026 financial year. The consequences of international wars, conflicts and trade disputes, as well as the intensity with which political decision-makers pursue climate policy targets, promote and demand energy-related actions and support residential construction, are almost impossible to predict. This results in risks, but also opportunities for Sto.

In order to position our Company as well as possible in view of the general conditions, we have adopted a flexible approach to the continuously increasing competition and price pressure that is expected for the current financial year and intend to act actively and with foresight. We are continuing our restrictive spending policy in order to secure the Group's profitability. At the same time, we are preparing to tap into the existing market potential as soon as conditions change.

The digital transformation includes the introduction of AI-based software in sales as well as further steps to prepare for the introduction of the SAP S/4HANA ERP system, with which we are setting the course for our future. The implementation will initially lead to higher expenditure, but these investments are an indispensable basis for our future growth.

We are forecasting consolidated turnover of EUR 1.62 billion for the 2026 financial year. Broken down by segment, growth in turnover should be in the low single-digit percentage range in Western Europe and in the mid single-digit percentage range in Northern/Eastern Europe, while a decline in turnover is expected in America/Asia/Pacific.

We are forecasting a range of EUR 56 million to EUR 76 million for EBIT and between EUR 55 million and EUR 75 million for earnings before taxes (EBT). The resulting return on sales is hence likely to be between 3.3 % and 4.7 %. Return on capital employed (ROCE) is expected to reach a value of between 7.4 % and 10.2 %.

The forecast is based on average weather conditions and an economic development in line with expectations in Sto's key markets as well as a mainly stable euro exchange rate. The negative impacts that could result from the war between Iran, Israel and the USA described in the Risk report, that was still ongoing at the time of compiling the management report are becoming more likely as the armed conflicts continue and

expand, although the specific magnitude of the impacts cannot be reliably quantified at the present time. At present, it must be expected that the war will lead to price increases in purchasing. We currently do not expect any adverse effects on demand in the markets relevant to Sto or any restrictions in the conduct of business activities or the supply of raw materials, bought-in products and energy.

Based on these assumptions, we expect the price level on the **procurement markets**, which is primarily based on inflation when it comes to raw materials and bought-in products, to increase beyond this in 2026. Energy-intensive and CO₂-certificate-dependent materials are expected to become more expensive anyway. Supply bottlenecks are not expected. The costs for the energy sources electricity and gas are largely fixed through long-term contracts. The freight market in Germany in 2026 is likely to be characterised by moderate economic growth and structural challenges such as a shortage of drivers and rising costs. Thanks to our long-standing partnerships with our haulage companies and the expansion of our partner network, we do not expect any transport bottlenecks here.

The planned **volume of investments** in property, plant, and equipment and intangible assets in the Sto Group is expected to amount to EUR 42 million in 2026. The largest project is the multi-year introduction of the SAP S/4HANA ERP system.

The **number of employees** in the Sto Group in 2026 is likely to develop in line with the turnover, with the restrictive recruitment policy continuing overall. While declines are possible in companies with difficult general economic conditions, the workforce can also be expanded moderately in countries with growth prospects.

We will continue our **R&D activities** with undiminished commitment in order to further develop our product portfolio in line with our customers' needs. The focus is on competitive, sustainable products and systems. In the area of facade systems, serial construction and the development and technical realisation of additional functions are important topics. Regulatory requirements for raw materials, products and systems will also occupy the work at the Sto Group's R&D locations in 2026. The implementation of the topics is increasingly supported by digital tools, as is the collaboration between the individual R&D departments.

The next steps in the construction of the planned Innovation Campus, a new building complex for R&D activities at the Stühlingen/Germany site, depend on the economic development of our business.

General statement on future development

Overall, the Executive Board of STO Management SE is cautiously optimistic for 2026. However, business development is once again characterised by very large uncertainties, which make a precise forecast very difficult. From today's perspective, we expect turnover in the amount of EUR 1.62 billion and EBIT between EUR 56 million and EUR 76 million in the current year.

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

It is the people at Sto that make the difference. With their commitment and the will to achieve Sto's targets together, they contribute to the Group's success every day and ensure that we can fulfil our performance promise to our customers despite difficult conditions. For that, we would like to express our gratitude to our employees – as well as our business partners and customers, who continue to place their trust in us and work with us to find productive solutions for upcoming tasks. If we continue to pool our strengths, we will be able to overcome all challenges in the future and take advantage of any opportunities that arise.

F. Sustainability statement

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ESRS 2 General information

1.1. Basis for preparation

BP-1 General basis for preparation of the sustainability statement

Sto SE & Co. KGaA has prepared a Group Sustainability Statement (Sto Group) in accordance with the Corporate Sustainability Reporting Directive (EU) 2022/2464 for the 2025 financial year (1 January 2025 to 31 December 2025). This sustainability statement for Sto has been prepared on a consolidated basis in full compliance with the European Sustainability Reporting Standards (ESRS).

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

As part of the sustainability statement, Sto has not made use of the option to omit certain information relating to intellectual property, expertise, or the results of innovations. Furthermore, Sto has made use of the option to omit detrimental information (Section 289e of the German Commercial Code (HGB)) for the 2025 financial year.

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

BP-2 Disclosures in relation to specific circumstances

The sustainability statement for Sto is prepared on a consolidated basis in full compliance with the ESRS. In accordance with IFRS 10, all fully consolidated subsidiaries are incorporated into the sustainability statement. At the time of reporting, there are no joint ventures

and one company accounted for using the equity method.

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

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

Furthermore, the business model must be described in accordance with Section 289c of the German Commercial Code (HGB). This is explained in detail in SBM-1 Strategy, business model, and value chain. In accordance with Section 289c HGB, the materiality assessment must also be presented; this can be found in Chapter IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities.

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

As part of the environmental information in this sustainability statement, the information provided for Sto in accordance with Article 8 of Regulation 2025/4568 (EU Taxonomy Regulation) is included in Chapter 2.5, 'EU taxonomy reporting of the Sto Group'.

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

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

Sto is preparing a sustainability statement in accordance with the CSRD for the second time. Apart from amendments resulting from updates to the sustainability strategy and the double materiality assessment, there are no changes to the preparation and presentation of sustainability-related information.

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

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

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

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

please refer to the corresponding chapters in the sustainability statement.

ESRS Disclosure Requirement	Key figure	Value chain estimation	Chapter reference
E1-5	Energy consumption and mix	Determined shares of fossil, nuclear, and renewable energy, self-generated energy	Chapter E1-5
E1-6	GHG emissions	Scope 3 categories: 1 Purchased goods and services 3 Fuel and energy-related activities (not included in Scope1 or Scope 2) 4 Upstream transportation and distribution 5 Waste generated in operations 6 Business travelling 7 Employees commuting 9 Downstream transportation 10 Processing of sold products 12 End-of-life treatment of sold products 15 Investments	Chapter E1-6
E5-4	Resource inflows	Parts of the total inflow weight, proportion of recycled materials	Chapter E5-4

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

ESRS Disclosure Requirement	Information	Chapter reference
ESRS 2 SBM-1, paragraph 40 a	Key elements of the general strategy that relate to or affect sustainability matters: i. significant groups of products and/or services offered, including changes in the reporting period (new/removed products and/or services), ii. significant markets and/or customer groups served, including changes in the reporting period (new/removed markets and/or customer groups),	Chapter ESRS 2SBM-1
ESRS 2 SBM-1, paragraph 42 a	Description of the business model and value chain: inputs and approach to gathering, developing, and securing those inputs	Chapter ESRS 2SBM-1
ESRS 2 SBM-1, paragraph 42 b	Description of the business model and value chain: outputs and outcomes in terms of current and expected benefits for customers, investors, and other stakeholders	Chapter ESRS 2SBM-1

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ESRS Disclosure Requirement	Information	Chapter reference
ESRS 2 GOV-5, paragraph 36 (a)	Main features of the risk management and internal control system: disclosure of the scope, main features, and components of the risk management and internal control processes and systems in relation to sustainability reporting	Chapter ESRS 2GOV-5
ESRS 2 GOV-5, paragraph 36 (b)	Main features of the risk management and internal control system: the risk assessment approach followed, including the risk prioritisation methodology	Chapter ESRS 2GOV-5

1.2. Governance

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

General information on corporate governance

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

Management body

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

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

In the 2025 financial year, the names of the persons in the management body of the personally liable partner were:

Rainer Hüttenberger

Chief Executive Officer of STO Management SE
 Rainer Hüttenberger is responsible for sales, finance, and sustainability.
 Due to his responsibility for the aforementioned areas, Rainer Hüttenberger, has knowledge of material sustainability matters relating to ESRS E1, ESRS E5, ESRS S1, and ESRS S4 in particular.

Jost Joseph Bendel

Executive Board member of STO Management SE
 Jost Joseph Bendel is the Chief Technology Officer.
 Due to his responsibility for the aforementioned areas, Jost Joseph Bendel also has knowledge of material sustainability matters relating to ESRS E1, ESRS E5, and ESRS S2.

Michael Keller

Deputy Chief Executive Officer of STO Management SE
 Michael Keller was Deputy Chief Executive Officer until 31 December 2025 and responsible for Brand Sales Sto Germany, two-tier sales, and sustainability.
 Due to his responsibility for the aforementioned areas, Michael Keller, has knowledge of material sustainability matters relating to ESRS E1, ESRS E5, ESRS S1, and ESRS S4 in particular.
 Mr Keller retired with effect from the end of the day on 31 December 2025 and stepped down from the Executive Board.

Désirée Konrad

Executive Board member of STO Management SE
 Désirée Konrad was Chief Financial Officer.
 Due to her responsibility for the aforementioned areas, Désirée Konrad has knowledge of material sustainability matters relating to ESRS S1, ESRS S2, ESRS S4 and ESRS G1.
 Ms Konrad resigned from the Executive Board with effect from the end of the day on 31 December 2025 with assurance of reappointment in accordance with Section 84 (3) of the German Stock Corporation Act, as she will be on maternity and parental leave from 1 January 2026 in accordance with Section 84 (3) of the German Stock Corporation Act.

Diversity within the management body of STO Management SE

As the management body of Sto SE & Co. KGaA, STO Management SE has no diversity as a legal entity. For information purposes, STO Management SE reports that its management body is composed as follows in terms of diversity: in the 2025 financial year, 75.0 % of the members of the management body of STO Management SE were male and 25.0 % were female.

The average ratio of female to male members over 2025 as a whole was 33.3 %. All members of the Executive Board are managing directors. Therefore, there were four managing directors in the 2025 financial year. STO Management SE is non-listed and Section 76 (3a) of the German Stock Corporation Act does not apply to it. It has no diversity concept or guidelines for men and women in the body authorised to represent the company and is outside the reporting sphere of Sto SE & Co. KGaA.

Role and skills of the management body

As the management body of Sto SE & Co. KGaA, STO Management SE acted, as shown, through its management body: the Executive Board in the 2025 financial year. The members of the Executive Board have extensive experience gained through holding management positions in companies. They also contribute experience they have obtained from various training programmes and/or professions.

Rainer Hüttenberger is known for his extensive expertise in sales, finance, and sustainability. Michael Keller has brought expertise to the company in the areas of Brand Sales Sto Germany, two-tier sales, and sustainability. Désirée Konrad has in-depth expertise and experience in the area of finance. In the 2025 financial year, the Technology division was managed by Jost Joseph Bendel, who has extensive expertise and experience in this area.

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

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

Even after the age-related retirement of Mr Michael Keller on 31 December 2025 and the departure of Ms Désirée Konrad from the Executive Board with assurance of reappointment in accordance with Section 84

(3) of the German Stock Corporation Act due to maternity/parental leave, the Executive Board can continue to provide assurances of expertise in all of the positions listed above. Plans have been made for the Executive Board to consist of three members in future, and responsibilities have been allocated accordingly.

Through regular discussions with the Head of Sustainability, dialogue with experts within the Sto Group and external consultants and stakeholders, as well as reading specialist literature, the Executive Board of STO Management SE continuously expands its knowledge, skills, and experience for the further development of the Sto Group on the topic of sustainability. In 2025, the area of sustainability, which was established at Group level in 2012, reports directly to the Executive Board of STO Management SE. In addition, a 'Sustainability Board for Sto Products' was established in 2021, covering all European markets and business fields, and providing input and feedback on product-related topics and trends on a quarterly basis. This exchange forms the basis for strategic and product-related actions in the corresponding areas, especially in areas including sustainability and product management.

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

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

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

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

The monitoring of impacts, risks, and opportunities has been transferred to the Sustainability department

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

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

Supervisory body

The statutory supervisory body of Sto SE & Co. KGaA is the Supervisory Board of Sto SE & Co. KGaA. It consists of twelve members and, in accordance with the German Co-Determination Act, is equally composed of shareholder and employee representatives. In the 2025 financial year, the Supervisory Board consisted of the following persons:

- **Peter Zürn** Bretzfeld-Weißleinsburg/Germany, Kaufmann (merchant), Member of the Supervisory Board since 27 June 2007, Chairperson of the Supervisory Board since 22 June 2022, Chairperson of the Nomination Committee since 22 June 2022
- **Niels Markmann***, Gelsenkirchen/Germany, Chairperson of the General Works Council and Chairperson of the Works Council for the North-West Sales Region, Sto SE & Co. KGaA, Member of the Supervisory Board since 24 April 2020, Deputy Chairperson of the Supervisory Board since 22 June 2022, Member of the Finance Committee
- **Maria H. Andersson**, Munich/Germany, Family Officer, Partner, Managing Director, Member of the Supervisory Board since 14 June 2017, Chairperson of the Finance Committee since 14 June 2017
- **Thade Bredtmann***, Pfalzgrafenweiler/Germany, Region Head, Sto SE & Co. KGaA, Member of the Supervisory Board since 22 June 2022, Member of the Audit Committee
- **Klaus Dallwitz***, Maintal/Germany, Order Acceptance and Route Scheduling Administrator, Sto SE & Co. KGaA, Member of the Supervisory Board since 22 June 2022

- **Catharina van Delden**, Colonia/Uruguay, Managing Director, Member of the Supervisory Board since 22 June 2022
- **Sonja Dif***, Freiburg/Germany, Managing Director, District Manager for the district of Freiburg/Germany, Member of the Supervisory Board since 15 May 2025
- **Petra Hartwig***, Bad Zwesten/Germany, Trade Union Secretary at IGBCE, IGBCE District Manager for the district of Kassel/Germany, Member of the Supervisory Board from 22 June 2022 to 25 April 2025
- **Frank Heßler***, Mannheim/Germany, Political Trade Union Secretary at IGBCE, Member of the Supervisory Board since 14 June 2017
- **Barbara Meister***, Blumberg/Germany, Chairperson of the Stühlingen Works Council, Sto SE & Co. KGaA, Member of the Supervisory Board since 1 June 2010, Member of the Finance Committee, Member of the Audit Committee
- **Prof Dr Klaus Peter Sedlbauer**, Rottach-Egern/Germany, Chair of Building Physics at the Technical University of Munich, Member of the Supervisory Board since: 27 June 2007, Member of the Nomination Committee
- **Dr Kirsten Stotmeister**, Lauchringen/Germany, Family Office Head of Finance/Treasury, Member of the Supervisory Board since 22 June 2022, Member of the Audit Committee, Member of the Finance Committee, Member of the Nomination Committee
- **Rolf Wöhrle**, Bad Dürkheim, Board Member, Member of the Supervisory Board since 19 June 2024, Chairperson of the Audit Committee since 19 June 2024

* Employee representatives

Diversity within the supervisory body

In accordance with Section 96 Paragraph 2 Sentence 1 of the German Stock Corporation Act, it must be ensured that at least 30.0 % of the Supervisory Board consists of women or men respectively when new members are being appointed to the Supervisory Board of co-determined listed companies. The minimum percentage must be fulfilled by the Supervisory Board as a whole, unless the shareholder and employee representatives object to the overall fulfilment in accordance with Section 96 (2) sentence 3 of the German Stock Corporation Act (AktG). A corresponding objection was agreed upon and declared by both the shareholder and the employee representatives on the Supervisory Board of Sto SE & Co. KGaA. Accordingly, the Supervisory Board must include at least two women and two men on the shareholder and employee representative sides. This obligation is being fully met: three of the six

shareholder representatives on the Supervisory Board of Sto SE & Co. KGaA and two of the six employee representatives are women.

In 2025, 41.67 % of the members of the supervisory body were therefore female and 58.33 % were male.

The average ratio of female to male members over 2025 as a whole was 71.4 %. The Supervisory Board consists of 50.0 % shareholder representatives and 50.0 % workers' representatives. The shareholder representatives are independent.

Role and skills of the supervisory body

The skills profile of the Supervisory Board is presented in a matrix.

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

- Managing corporate groups, companies, associations, and networks: skill has particular relevance to sustainability matters arising from ESRS G1.
- Construction sector (construction and building supplies), associated value chains and markets: skill has particular relevance to sustainability matters arising from ESRS E1 and ESRS E5.
- Finance and accounting, legal affairs and risk management (compliance and governance), sustainability and CSRD, accounting and auditing of financial statements: skill has relevance to all of Sto's material sustainability matters.
- Sustainability, internationalisation, innovation, R&D, technology: skill has relevance to all of Sto's material sustainability matters.
- Digitisation, IT, business models, production technology: skill has particular relevance to sustainability matters arising from ESRS E1, ESRS E5, and ESRS G1.
- Sales and marketing, human resources, HR development, social affairs, communications, media: expertise has particular relevance to sustainability matters from ESRS S1, ESRS S2, and ESRS S4.

Skills profile matrix for the Supervisory Board of Sto SE & Co. KGaA

(Petra Hartwig until 25 April 2025 and Sonja Dif from 15 May 2025)

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

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

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

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

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

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

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

The Executive Board of STO Management SE is informed of the material impacts, risks, and opportunities at least once a year by the Sustainability and Group Accounting departments. The Sustainability and Group Accounting departments regularly inform the Executive Board of STO Management SE (at least twice a year and on an ad-hoc basis) about the implementation of due diligence in the area of sustainability. The Executive

Board of STO Management SE discusses the results and effectiveness of the adopted strategies, actions, metrics, and targets with the Management Body of Sto SE & Co. KGaA at least once a year.

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

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

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

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

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

and when necessary, based on regular dialogue between the Sustainability and Group Accounting departments and the risk management team.

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

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

List of material impacts, risks, and opportunities dealt with by the Executive Board, Supervisory Board, and responsible departments or their responsible committees in the year under review	Executive Board of STO Management SE, possibly also Supervisory Board and responsible departments	Frequency
Financial risks due to physical climate risks with regard to own permanent establishments	Sustainability, Risk Management	half-yearly
Sto still has Scope 1 and Scope 2 emissions that contribute to climate change	Sustainability, energy management, procurement	yearly
Sto places a high value on energy efficiency and the use of renewable energies	Sustainability, Energy Management, Climate and Energy Efficiency Network	half-yearly
Resource consumption in the upstream value chain (important input resources include quartz and sand, for example) as well as resource consumption in own production (primarily mineral raw materials, marble, quartz sand, cement, and chemical products)	Procurement, Research & Development, Sustainability	half-yearly
Financial risks due to rising resource prices of resources (e.g. primarily sand and cement; possibly also chemical products) as well as due to limited availability of certain input factors (e.g. titanium dioxide, preservatives)	Procurement, Research & Development	half-yearly
A strong sense of belonging among and job security for employees	Personnel, Works Council, Management Body	quarterly
Selective overload of employees due to peak workloads	Personnel, Works Council, Management Body	quarterly
High degree of flexibility for employees in terms of organising their working time and work-life balance	Personnel, Works Council, Management Body	yearly
Employees have the assurance that there are principles of conduct and reporting points for incidents of discrimination or other incidents	Compliance / Internal Audit, Personnel, Sustainability	yearly
Capacity bottlenecks and a lack of replacement staff in the company due to a shortage of skilled workers and an ageing own workforce	Personnel, Works Council, Management Body	quarterly
Employees have the assurance that no human rights abuses (child labour and forced labour) are taking place within the company's own business activities	Compliance / Internal Audit, Personnel, Sustainability	yearly
Employees have the assurance that their privacy, self-determination, and personal freedom are respected in the workplace	Compliance / Internal Audit, Personnel, Sustainability	yearly
Employees in the value chain have the assurance that Sto is ensuring occupational safety	Compliance / Internal Audit, Procurement, Sustainability	yearly
Employees have the assurance that the corporate culture is geared towards ethics and compliance	Compliance / Internal Audit, Personnel, Sustainability	yearly
Various stakeholders such as employees and actors in the value chain have the assurance that the risk of incidents is minimised as far as possible	Compliance / Internal Audit, Personnel, Sustainability	yearly

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

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

Sustainability is one of Sto’s core competences and is anchored in our corporate strategy. One of the key points of our product portfolio is climate protection. For this reason, the Sto Group’s corporate success is already significantly linked to achieving sustainability goals that have an impact not only within the organisation but also across the wider community.

GOV-4 Statement on due diligence

Key elements of due diligence	Paragraphs in the sustainability statement	Chapter references
a) Embedding due diligence in governance, strategy, and business model	ESRS 2 GOV-2, GOV-3 & SBM-3	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3 ESRS E1 GOV-3 ESRS E1 SBM-3 ESRS S1 SBM-3 ESRS S2 SBM-3 ESRS S4 SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence process	ESRS 2 GOV-2, SBM-2, IRO-1 & topic-related standards: consideration of the different stages and purposes of stakeholder engagement throughout the due diligence process	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS E1 IRO-1 ESRS E5 IRO-1 ESRS S1 SBM-2 ESRS S2 SBM-2 ESRS S4 SBM-2 ESRS G1 IRO-1
c) Identifying and assessing adverse impacts	ESRS 2, IRO-1, & SBM-3	ESRS 2 SBM-3 ESRS 2 IRO-1 ESRS E1 SBM-3 ESRS E1 IRO-1 ESRS E5 IRO-1 ESRS S1 SBM-3 ESRS S2 SBM-3 ESRS S4 SBM-3 ESRS G1 IRO-1
d) Taking actions to address those adverse impacts	Actions, including transition plans	E1-1 E1-3 E5-2 S1-4 S2-4 S4-4 G1-1 G1-2 G1-3
e) Tracking the effectiveness of these efforts and communicating	Key figures and targets	2.4. 3.2. 4.3. 5.3. 6.3. 7.3. G1-1 G1-2 G1-3

GOV-5 Risk management and internal controls over sustainability reporting

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

As part of the double materiality assessment, the following values for the extent of loss or damage were used to assess the potential financial effects. These are based on a non-current period under review that deviates from the forecast period in the risks and opportunities report. The values for the respective extent of loss or damage deviate accordingly:

Explanation of extent of loss or damage

Extent of loss or damage		Definition of the extent of loss or damage
Serious	> EUR 62 million	Significant negative impact on earnings
Significant	EUR 30 million to EUR 62 million	Noticeably negative impact on earnings
Moderate	EUR 16 million to EUR 30 million	Negative impact on earnings
Low	< EUR 16 million	Slightly to moderately negative impact on earnings

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

The effectiveness of the risk management system (RMS) and internal control system (ICS) is regularly reviewed in accordance with statutory requirements. Independent monitoring and audits take place in this respect, especially through audits by the Internal Audit division and its reporting to the Executive Board of the personally liable partner STO Management SE as well as to the Audit Committee of the Supervisory Board, and through other external audits. Central Investment Controlling, Accounting, and Internal Audit carry out internal audits. In the course of regular audits, the Internal Audit department checks the ICS and RMS, and examines and assesses the functioning and effectiveness of the risk management approach to help provide a better understanding of the risks. In addition, as

part of the audit, the chartered accountant reviews, in accordance with statutory requirements, whether the system for the early detection of risks is suitable in all materialities for the early detection of facts that could jeopardise the continued existence of the company. Audits completely independent of the processes concerned are also carried out by the Audit Committee of the Supervisory Board.

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

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

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

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

1.3. Strategy

SBM-1 Strategy, business model and value chain

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

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

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

Employees by geographical allocation

	Total	As a percentage
Western Europe	4,281	78.1
Northern/Eastern Europe	568	10.4
America/Asia/Pacific	633	11.5

Sustainability is a core competence and, as such, a strategic target in the corporate strategy. In accordance with the sustainability strategy adopted in 2021 and updated in 2025, Sto pursues a holistic approach that extends to every area within the Group's sphere of influence and is being implemented at every value-added step. For the most part, the sustainability activities from the updated sustainability strategy are aligned with the materiality assessment, which analyses the positive and negative impacts of corporate activities on the economy, the environment, and people, as well as risks and opportunities for the Sto Group itself. The materiality assessment method is described in detail below. In addition, the sustainability measures have been aligned with the United Nations' 17 Sustainable Development Goals, or SDGs for short. This has resulted in six general focal points for sustainable development within the Sto Group:

- **Climate change mitigation:** This objective relates in particular to sustainability matters arising from ESRS E1 in Chapter 2.
- **Environmental protection:** This objective relates in particular to sustainability matters arising from ESRS E1 in Chapter 2.
- **Circular economy:** This objective relates in particular to sustainability matters arising from ESRS E5 in Chapter 3.
- **Health and well-being:** This objective relates in particular to sustainability matters arising from ESRS S1 and ESRS S4 in Chapters 4 and 6.
- **Transparency and social responsibility:** This objective relates in particular to sustainability matters arising from ESRS S1, ESRS S2, ESRS S4, ESRS G1, and in Chapters 4 to 7.
- **Employees:** This objective relates in particular to sustainability matters from ESRS S1 and ESRS S4 in Chapters 4 and 6.

Our corporate vision is 'Technology leader in the sustainable design of living space tailored to human needs. Worldwide.' Sto has been pursuing this by implementing its mission of 'Building with conscience,' which has been in effect since 1988.

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

Sto's corporate vision and other principles on which our practice is based are defined in our Guiding Principles, which provide guidance for all strategic and operational decisions. The fields of action defined as part of the Sustainability Strategy 2025 with generally applicable objectives up to 2030 at Group level are:

Climate change mitigation. This objective relates in particular to sustainability matters arising from Chapter 2 (ESRS E1).

The general objectives in this field of action are:

- Increasing energy efficiency
- Continuously reducing our carbon footprint
- Using renewable energies and renewable raw materials

The company-specific core targets in this field of action are:

- Continuous reduction of our carbon footprint (in accordance with the CSRD transition plan)
- Climate neutrality by 2050 (in accordance with the EU definition)
- Energy management systems at all production facilities

The product-specific core targets in this field of action are:

- Continuous determination and reduction of the carbon footprint of our products – taking market conditions into account
- More marketing on the contribution of Sto products to climate change mitigation

Environmental protection. This objective relates in particular to sustainability matters arising from Chapter 2 (ESRS E1).

The general objectives in this field of action are:

- Avoiding pollutants and emissions into the environment
- Using finite resources sparingly
- Preserving and promoting biodiversity

The company-specific core targets in this field of action are:

- Environmental management systems certified in accordance with ISO 14001 or equivalent at all production sites
- Certification of at least 50 % of all relevant suppliers in accordance with ISO 14001 or equivalent (by procurement volume)

The product-specific core targets in this field of action are:

- Consistent reduction and avoidance of hazardous materials and harmful substances in our formulations – ahead of legislation and in line with market requirements
- Encouragement of flora and fauna in the facade area

Circular economy. This objective relates in particular to sustainability matters arising from Chapter 3 (ESRS E5).

The general objectives in this field of action are:

- Avoid waste
- Promote long useful lives
- Recycle products and packaging
- Use recycled materials/secondary raw materials

The company-specific core target in this field of action is:

- Reduction of waste volumes and promotion of recycling of waste fractions at our sites

The product-specific core targets in this field of action are:

- Optimising the recycling of our packaging, material residues, and construction site waste (incl. dismantling) – taking market conditions and normative requirements into account
- Increased use of recycled materials

Health and well-being. This objective relates in particular to sustainability matters arising from Chapters 4 (ESRS S1) and 6 (ESRS S4).

The general objectives in this field of action are:

- Offer products that have been tested and are not harmful to health
- Improve well-being
- Promote occupational safety and health protection

The company-specific core targets in this field of action are:

- The highest occupational safety and no serious injuries at our own production facilities
- Promotion of the health of our employees

The product-specific core targets in this field of action are:

- Interiors portfolio tested for emissions
- Consistent reduction and avoidance of the use of substances harmful to health
- More marketing on the contribution of Sto products (e.g. noise/acoustics, heat protection, health protection)

Transparency and social responsibility. This objective relates in particular to sustainability matters arising from ESRS S1, ESRS S2, ESRS S4, ESRS G1 in Chapters 4 to 7.

The general objectives in this field of action are:

- Ensuring that product labels (eco-labels) are in place
- Upholding and protecting human rights
- Supporting those in need

The company-specific core targets in this field of action are:

- 100 % recognition/sign-off from all relevant suppliers of the Supplier Code of Conduct and risk assessment of these (Tier 1 and relevance)
- No convictions related to compliance

The product-specific core targets in this field of action are:

- 100 % of our products have at least one eco-label (Environmental Product Declaration, Sustainability Data Sheet)
- Sourcing our raw materials from certified responsible sources

Employees. This objective relates in particular to the sustainability matters arising from ESRS S1 and ESRS S4 in Chapters 4 and 6.

The general objectives in this field of action are:

- Promotion of qualifications and development
- Reconciliation of family and working life
- Strengthening diversity and equal opportunities
- Being an attractive employer

The company-specific core targets in this field of action are:

- Reconciliation of family and working life
- Diversity and equal opportunities
- Increasing the proportion of women in management positions
- Equal pay for equal work
- Promotion of knowledge and expertise
- Fluctuation below 10 %

The product-related core targets in this field of action are:

- Pursuit of a standardised Group-wide quality policy that is binding for all employees

Quantitative targets beyond this are not available due to the difficulties often encountered with enforcement and measurability at global level as well as regulatory, regional, and economic interdependencies affecting feasibility. Sto does not plan to set any additional quantitative targets at Group level in the near future either, as feasibility depends on numerous external factors, in particular the regulatory and general economic

ESRS 2 General information

conditions in the individual regions and countries, the availability and price structure of corresponding technologies and raw materials, and their marketability. In some cases, there is also a lack of fundamental information to determine a suitable base value. The targets from the Sto Group's sustainability strategy are supplemented with specific target figures for individual products, countries, and companies.

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

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

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

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

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

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

SBM-2 Interests and views of stakeholders

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

Based on an internal analysis, the following stakeholder groups have been identified as relevant for Sto: shareholders, authorities and the state, customers and consumers, service providers and suppliers, society and the

public, representatives (such as NGOs and associations), employees, press and media, and the competition.

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

- Annual General Meeting
- Annual report, half-year financial report, and interim reports
- Communication with rating agencies, equity investors, and external creditors
- CSR and sustainability reports in accordance with international standards

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

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

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

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

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

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

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

- Training and customer seminars
- Customer relationship management
- Customer satisfaction surveys
- Dialogue with architects, planners, real estate investors
- Simple, understandable communication materials, some of which are organised according to specialist

topics. Online: website, newsletters; offline: customer magazines such as StoProfi Info (for specialist trades-people), '[ark]' (global magazine for architects), and 'we werthe entwickeln' (customer magazine for the housing industry)

- Specific product information (Sustainability Data Sheets, Environmental Product Declarations (EPDs), eco-labels, product brochures with benefits argumentation)

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

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

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

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

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

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

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

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

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

- Employee surveys
- Reporting system
- Exit interviews
- Discussion formats between the Executive Board of STO Management SE and employees or the Works Council

- Appraisal interviews
- Suggestion scheme (company suggestion scheme)

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

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

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

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

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

In addition, the interests and viewpoints of the most important stakeholders are taken into account in the strategy process so that all relevant interests and perspectives are comprehensively incorporated. This has an indirect influence on the business model on which the strategy is based. Both the corporate strategy and the sustainability strategy and the targets they contain were revised in 2025 and realigned for 2030. The interests and perspectives of relevant stakeholders for the corresponding areas of focus were taken into account. There have been no material changes to Sto's strategy or business model.

ESRS 2 General information

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

The resilience of Sto’s strategy and business model in terms of its ability to manage material impacts and risks, and to take advantage of material opportunities, is evident from the policies drawn up, actions implemented, and goals adopted. In addition, a resilience analysis was carried out once again in 2025, which is described in detail in Chapter IRO-1, 'Description of the processes to identify and assess material pollution-related impacts, risks, and opportunities'.

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

All of the positive impacts and opportunities identified reinforce Sto’s strategic direction in this area and emphasise its importance. The negative impacts and risks identified may lead to adjustments and actions in the business model, value chain, strategy, or decision-making in order to prevent or minimise (further) negative impacts. All identified material impacts are directly caused by the company’s business model and strategy. In comparison to the previous year, the following topics and sub-topics are no longer integral to the update of the materiality assessment, as the associated impacts have become insignificant: ESRS S3 Affected communities, ESRS S2 Working time sub-topic, and ESRS S1 Adequate wages sub-topic.

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

ESRS E1

There are negative and positive impacts, opportunities, and risks for Sto in the sub-topic of climate change mitigation.

Climate change adaptation

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

With the actual positive impact in the downstream value chain in the sub-topic of climate change adaptation, Sto can support the reduction of greenhouse gas emissions (GHG emissions) through the company’s products and services and thus mitigate the consequences of climate change. Sto’s own activities and

business relationships contribute significantly to this positive impact. Development activities in particular can lead to optimised products and services that can help society to cope with the consequences of climate change.

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

Climate change adaptation

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

Climate change mitigation

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

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

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

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

Climate change mitigation

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

Energy

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

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

With the actual negative impacts in the sub-topic of energy, relating to low energy efficiency or high use of fossil energy sources in Sto's own area of business, or relating to energy-intensive value-added steps, Sto is contributing to climate change. The impact of climate change on people and the environment has already been summarised. As a manufacturing company, Sto has a part to play in material impacts of this kind

through its business activities, resource requirements, and international supply chains.

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

Energy

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

ESRS E5

Resources inflows, including resource use

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

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

ESRS 2 General information

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

Resources inflows, including resource use

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

ESRS S1

Working conditions

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

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

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

With the positive impacts in the sub-topic of working conditions, relating to secure employment, remuneration, collective bargaining coverage, and flexibility for employees, Sto contributes to increased job satisfaction and rest, which has a positive impact on the long-term health, well-being, productivity, and quality of work

of employees. Through its business activities, Sto has a part to play in these material impacts in its role as an international listed family-run company with defined attitudes, its corporate culture, and established infrastructures.

Working conditions

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

Equal treatment and opportunities for all

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

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

With the actual negative impacts in the sub-topic of equal treatment and equal opportunities, relating to little gender diversity, a low proportion of women in management positions, and a low proportion of persons with disabilities, Sto contributes to increased stress and reduced job satisfaction, which can negatively affect the long-term health, well-being, productivity, and quality of work of employees. Through its business activities, and in particular through the further development of the areas to which the negative impacts relate, Sto has a part to play in these material impacts.

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

Equal treatment and opportunities for all

Material impacts, risks, and opportunities	Location in the value chain	Time horizon
Employees have the assurance that their development is supported	Actual positive impact (own area of business)	Occurrence: short-term Impact: medium- to long-term
Capacity bottlenecks and a lack of replacement staff in the company due to a shortage of skilled workers and an ageing own workforce	Risk (own area of business)	Occurrence: medium-term Impact: long-term
Employees have the assurance that there is little or no gender pay gap	Actual positive impact (own area of business)	Occurrence: short-term Impact: medium- to long-term
Employees have the assurance that there are principles of conduct and reporting points for incidents of discrimination or other incidents	Actual positive impact (own area of business)	Occurrence: short-term Impact: medium- to long-term
Female employees do not feel adequately represented in terms of their economic and social needs due to little gender diversity and the low proportion of women in leadership positions	Actual negative impact (own area of business)	Occurrence: short-term Impact: medium- to long-term
Due to the low proportion of persons with disabilities, these persons not feel adequately represented with regard to their economic and social needs	Actual negative impact (own area of business)	Occurrence: short-term Impact: medium- to long-term

Other work-related rights

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

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

Other work-related rights

Material impacts, risks, and opportunities	Location in the value chain	Time horizon
Employees have the assurance that no human rights abuses (child labour and forced labour) are taking place within the company's own business activities	Actual positive impact (own area of business)	Occurrence: short-term Impact: medium- to long-term
Employees have the assurance that their privacy, self-determination, and personal freedom are respected in the workplace	Actual positive impact (own area of business)	Occurrence: short-term Impact: medium- to long-term

ESRS 2 General information

ESRS S2

Working conditions of employees in the value chain

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

With the actual positive impact relating to occupational safety in the sub-topic of working conditions of employees in the value chain, Sto is contributing to safe workplaces for employees in the upstream value chain, leading to greater satisfaction for them.

With the potential negative impact also relating to occupational safety in the sub-topic of working conditions of employees in the value chain, Sto can contribute to the opposite effect on people in the upstream value chain.

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

Working conditions of employees in the value chain

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

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

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

With the potential negative impact in the upstream value chain, Sto potentially contributes to increased stress and reduced job satisfaction among employees in the upstream value chain, which can have a negative impact on the long-term health, well-being, productivity, and quality of work of employees. Sto plays a part in this material impact through its existing business relationships with suppliers.

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

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

ESRS S4

Information-related impacts for consumers and end-users

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

With the actual positive impact in its own area of business, Sto contributes to increased data security as well as ensuring legal compliance when processing data belonging to consumers and end-users. In this way, the privacy of consumers and end-users is guaranteed, the theft of personal information is prevented, and trust in Sto is strengthened. Through its business activities, Sto has a part to play in these material impacts in its role as an international, listed, family-run company with an established infrastructure and internal data protection regulations.

Information-related impacts for consumers and end-users

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

Personal safety of consumers and end-users

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

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

information strengthen the trust of customers and end-users in the company and its products. Through the organisation of its business relationships, Sto has a part to play in these material impacts.

Personal safety of consumers and end-users

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

ESRS G1

Corporate culture

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

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

Corporate culture

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

Protection of whistleblowers

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

With the actual positive impact throughout the value chain, Sto contributes to increased transparency and a strengthening of trust. When stakeholders have no barriers to addressing concerns and incidents, this promotes a culture of transparency. This strengthens trust between employees, management, and other actors in the value chain. In addition to its business relationships, Sto has a part to play in this material impact through its business activities as an international listed family-run company with defined attitudes and its corporate culture.

Protection of whistleblowers

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

Management of relationships with suppliers including payment practices

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

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

Management of relationships with suppliers including payment practices

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

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Corruption and bribery

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

With the actual positive impact throughout the entire value chain, Sto increases the health and safety of various stakeholders, thereby strengthening trust and cooperation. A culture of risk minimisation promotes trust between employees, management, and other actors in the value chain. This supports cooperation and team spirit. In addition to its business relationships, Sto has a part to play in this material impact through its business activities as an international listed family-run company with defined attitudes and its corporate culture.

Corruption and bribery

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

1.4. Management of impacts, opportunities, and risks

1.4.1. Information on the materiality assessment process

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

The materiality assessment for the 2025 financial year was carried out in summer 2025 in accordance with the requirements of the CSRD. The assessment is an update of Sto's first materiality assessment in accordance with ESRS requirements in the 2024 financial year. To ensure that all material impacts, opportunities, and risks in the 2025 financial year were taken into account, the assessment was updated in January/February 2026.

In the annual revision of the materiality assessment, the next iteration of which will take place no later than the start of the 2027 financial year, the impacts, opportunities, and risks will be reviewed again with respect to their materiality.

According to the principle of double materiality, which the materiality assessment follows, a topic must be classified as material as soon as the Sto Group has material impacts on the environment or on society (inside-out) or risks and opportunities for the Sto Group's financial situation are to be assessed as material (outside-in).

To determine the material impacts, risks, and opportunities, the business model and the entire value chain were analysed first. The analysis was not limited to individual business relationships, countries, locations, or significant assets.

The second step involved carrying out a stakeholder analysis.

Business model and value chain

The business model of the Sto Group and its companies, as well as all material activities and products, were analysed in Sto's own business area. The Sto locations were also analysed.

To gain a comprehensive picture, the upstream and downstream value chain was also analysed. For this purpose, an overview of the relevant value creation steps and the most important actors involved was drawn up, covering the entire value chain from extracting raw materials to the end of the service life of products and the end-of-life treatment of sold products. Sto's business model and value chain are described in the Chapter SBM-1.

Stakeholder analysis

As part of the stakeholder analysis, the relevant internal and external stakeholder groups were first identified.

These are an essential element in identifying and assessing actual and potential negative and positive impacts, as well as financial risks and opportunities, relating to the CSRD sustainability matters that need to be covered. The perspectives of the stakeholder groups are incorporated into the materiality assessment process directly (via representatives of the stakeholder groups) or indirectly (via internal experts who are able to represent the stakeholder perspective). In the course of the stakeholder analysis, the specific key actors within each of the groups were identified. There was no consultation with external stakeholders.

Finally, the identified stakeholder groups were assigned to the CSRD sustainability matters to be assessed.

Potentially material topics

Based on the list of topics in ESRS 1 AR.16, a longlist of the CSRD sustainability matters to be assessed was drawn up. The sustainability experts conducted an internal audit to determine whether there were any additional company-specific sustainability matters that needed to be considered and assessed. No such company-specific sustainability matters were identified.

The actors of relevance to the materiality assessment of the individual sustainability matters were then defined. A distinction must be made between internal topic experts and representatives of the stakeholder groups.

To determine the internal topic experts, the relevant internal departments and experts were defined for each sub-topic in accordance with ESRs 1 AR.16. Through their daily work, the internal representatives are in regular dialogue with the stakeholder groups concerned and are therefore able to represent the perspective of the stakeholder groups with regard to sustainability matters and to define and assess impacts, opportunities, and risks relating to the sustainability matters.

The Works Council and the Supervisory Board of Sto SE & Co. KGaA were also involved in the process as stakeholder representatives.

The materiality assessment was carried out in three steps. The first step was to identify the potentially material impacts, risks, and opportunities associated with the individual ESG topics along the entire value chain. Information was incorporated from existing sources including, in particular, the existing risk management process, the established due diligence process, customer and employee surveys, and previous reporting.

In the second step, the identified impacts, risks, and opportunities were assessed in terms of their materiality based on the criteria specified by ESRs 1. No materiality assumptions were made in this regard. In the third step, the results of the assessment of impacts, opportunities, and risks were aggregated.

Various supervisory authorities were involved in the decision-making process with regard to potential impacts, opportunities, and risks and their assessment. Assessments were carried out exclusively in collaboration with domain experts and the CSRD project team, so that a dual control principle was always applied. In addition, the results were discussed with an external consultant and approved by the Executive Board of the personally liable partner, STO Management SE.

Identification and assessment of impacts, opportunities, and risks for the potentially material sustainability matters

Inside-out perspective (impact materiality)

The materiality assessment of the inside-out perspective is divided into a qualitative and a quantitative assessment. The qualitative assessment of the impacts describes their type (positive or negative, actual or potential), their cause (direct or indirect), their location in the value chain, and the time horizon of their occurrence.

In order to assess the impacts, the regulatory requirements stipulate that the severity of the impacts must first be determined. This severity can be broken down into the three dimensions of magnitude, scope, and remediability in accordance with ESRs 1 sec. 45.

In principle, the CSRD provides for the following calculation components:

- Magnitude of the impact
- Scope of the impact
- Remediability of the impact (only in the case of negative impacts)
- Likelihood of the impact occurring (only in the case of potential impacts)

With regard to the calculation components, the severity of impacts on human rights takes precedence over the likelihood of occurrence, in accordance with ESRs 1 sec. 45. This is taken into account in the methodology by treating the impacts as actual, even if they were only estimated as potential.

Magnitude of the impact	
5	Ver high
4	high
3	Medium
2	Low
1	Very low

Scope of the impact	
5	Global/total
4	Widespread
3	Medium
2	Concentrated
1	Limited

Remediability of the impact (only in the case of negative impacts)	
5	Non-remediable/reversible
4	Very difficult or long-term
3	Difficult or medium-term
2	With resources (time and costs)
1	Relatively simple/short-term

Likelihood of the impact occurring (only in the case of potential impacts)		Factor
4	Very likely (> 75 %)	1
3	Likely (> 50 %)	0.85
2	Somewhat unlikely (> 25 %)	0.75
1	Unlikely (< 25 %)	0.65

ESRS 2 General information

Outside-in perspective (financial materiality)

The materiality assessment of the outside-in perspective is divided into a qualitative and a quantitative assessment.

The qualitative assessment of opportunities and risks describes their nature, their location in the value chain, and the time horizon of their occurrence.

To ensure that risks are assessed in a standardised and consistent manner (beyond the materiality assessment), the quantitative assessment of risks and opportunities is based on the Sto Group's risk management. The risk classification ranges defined by risk management were used for this purpose.

These are determined on the basis of the Sto Group's earning power (asset, financial, and earnings items). The Sto Group's ranges are used because the materiality assessment is carried out at Group level. Sustainability risks were not prioritised over other types of risks beyond the methodology applied. The impacts are prioritised according to the rating scale of the materiality assessment.

In principle, the CSRD provides for the following calculation components when opportunities and risks are being assessed:

- Financial magnitude of the opportunity or risk
- Likelihood of the opportunity or risk occurring

In principle, risks are reported on a gross basis without taking actions into account.

Financial magnitude of the opportunity or risk	
4	Serious
3	Significant
2	Moderate
1	Low
0	No financial risk

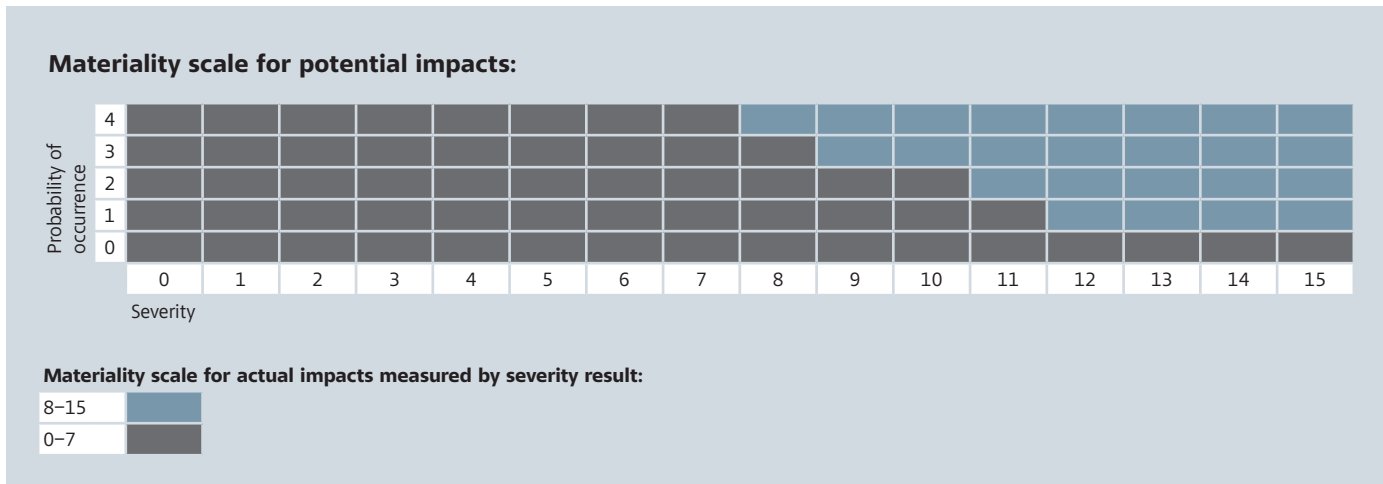
Likelihood of the opportunity or risk occurring		Factor
4	Very likely (> 75 %)	1
3	Likely (> 50 %)	0.85
2	Somewhat unlikely (> 25 %)	0.75
1	Unlikely (< 25 %)	0.65

Aggregation of results of the inside-out perspective and outside-in perspective

A list of the Sto Group’s material impacts, risks, and opportunities was identified by consolidating the results from the previous steps.

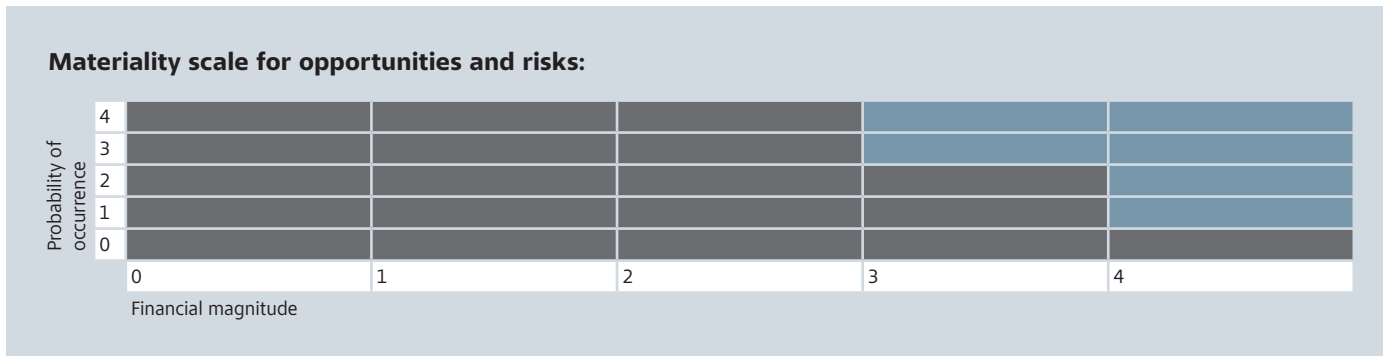
In the diagram below, the values for the materiality of impacts are highlighted in colour.

An impact is considered material if the overall result, rounded to a whole number, is at least 8.



In the diagram below, the values for the materiality of opportunities and risks are highlighted in colour.

Risks and opportunities are considered material if the overall result, rounded to a whole number, is at least 3.



With regard to the opportunities and risks, it was noted as part of the materiality assessment whether these arise in connection with dependencies or impacts. The financial effects of the opportunities and risks are included in the assessment.

The individual impacts, opportunities, and risks were assessed using the above methodology. According to the CSRD’s underlying approach of double materiality, an issue is already material if it can be classified as material from either the impact materiality or the financial materiality perspective. Impact materiality exists for a topic if the topic has an impact that is assessed as material. Financial materiality exists for a topic if the topic is associated with a financial risk or a financial opportunity that is assessed as material.

The interactions between the inside-out perspective and the outside-in perspective were taken into account by analysing, in every topic area, the extent to which an impact would lead to a financial opportunity or a financial risk, or vice versa. In this way, Sto ensured that impacts, opportunities, and risks were defined and assessed both completely and consistently.

In order to determine and assess potential impacts, risks, and opportunities in connection with corporate policy, Sto initially used the existing risk management system as a basis. In addition, it incorporated information from other existing sources, such as the established due diligence process, customer and employee surveys, and previous reporting.

ESRS 2 General information

The information drawn from risk and opportunity management (see information on Chapter 1 (ESRS 2), Chapter GOV-5 'Risk management and internal controls over sustainability reporting'), and from discussions with stakeholders using various dialogue formats (see Chapter 4 (ESRS S1) for details of the dialogue process), was bundled in the materiality assessment described above in accordance with the requirements of the CSRD.

Furthermore, specific (sector-specific) impacts, risks, and opportunities for the building materials supply industry were analysed. The procurement of raw materials is of particular importance to the sector, meaning that the associated impacts, risks, and opportunities can be material. In this context, Sto's reporting system enables both internal and external whistleblowers, such as people from affected communities or employees in the value chain, to draw attention to grievances and incidents. Sto uses this information to determine whether the impacts, opportunities, and risks associated with the procurement of raw materials are material.

ESRS E1

Process and resilience analysis

In 2025, Sto carried out a resilience analysis based on the results of the first resilience analysis in 2024, the double materiality assessment, the analysis of megatrends as part of the revision of the Sto Strategy, and the climate risk analysis from 2023 and 2024, as well as an update of these in 2025. A qualitative assessment was performed regarding the extent to which the strategy, business, and operating model are able to address the material impacts, risks, and opportunities. The assessment of resilience was based on criteria such as the scope and quality of existing directives, management processes, actions, and targets, the consideration of impacts, risks, and opportunities in the sustainability strategy, and challenges in the implementation of adaptation measures and strategies. The integration of ESG criteria into business processes, Sto's influence on the indirect value chain, the ESG expertise of the specialist departments and the Executive Board of STO Management SE, and the involvement of relevant stakeholders were also taken into account as indirect drivers of resilience. The time horizons considered in the resilience analysis correspond to those in the materiality and climate risk analysis; they cover all Group companies included in CSRD reporting and relate to the entire value chain.

The Sto Group is largely able to manage its material impacts, risks, and opportunities in relation to climate change. In particular, manufacturing products that have a positive impact on climate change adaptation increases resilience to changes resulting from climate change in the short, medium, and long term. Various directives, actions, and targets address the impacts of climate

change. In addition to the 'Energy efficiency in procurement (life cycle)' policy, the package of measures aimed at achieving the climate action targets helps minimise climate risks, as does the climate risk analysis. On the other hand, there are fundamental challenges in the form of the fact that business activities can have negative impacts on climate change and that this can generally lead to resource shortages and price increases. This also affects energy-intensive supply chains. Regulatory developments relating to climate change also need to be considered.

Sto has used the methodology explained previously to determine and assess potential impacts, risks, and opportunities associated with climate change. In addition, information from other existing sources, such as the greenhouse gas balance and the climate risk analysis, were incorporated into the assessment, as was the risk inventory.

There are critical assumptions about how the transition to a low-carbon, resilient economy will have an impact on energy consumption. A delay in the transition from fossil to non-fossil energy sources is driving the need to further reduce energy consumption. The way in which this change could have an impact on the energy mix is also being analysed. Additionally, there is the critical assumption that the transition to an energy supply based on renewable energy cannot be realised quickly and cost-effectively. Other critical assumptions concern the use of technologies in a low-carbon, resilient economy. The focus in this case is on the need for green hydrogen in the value chain in order to make energy-intensive production processes more climate-friendly. This transition may have additional impacts on the relevant macroeconomic trends for Sto. There are also critical assumptions about how rising energy prices, geopolitical developments, shortages, and purchasing power trends will affect construction costs and Sto's business. Specifically, when updating the 2025 resilience analysis, it was noted that government incentives for energy refurbishment measures are declining and construction measures are under general cost pressure, applying pressure to opportunities for the company.

The resilience analysis primarily considered the long-term time horizons of 2025 to 2030 and 2025 to 2050. These are used to set emission reduction targets as part of preparing a transition plan and are aligned with the climate and business scenarios used to determine material physical risks and transition risks.

The main sources of emissions at Sto are fossil fuels for heating buildings and hot water, the Sto fleet of vehicles, purchased electricity, the procurement of district heating or cooling, and steam. Further emissions are caused along the value chain; for example, in the process of producing purchased materials and primary

products. Some of these emission sources are analysed as part of energy management (in accordance with ISO 50001), and reduction and substitution measures have been initiated at Sto's locations. Along the value chain, these sources of emissions are taken into consideration as part of projects aimed at optimising the sustainability of products. Sto reviews its activities and plans with the help of reviews and audits in order to identify potential future sources of GHG emissions.

A detailed list of GHG emissions can be found in Chapter 2 (ESRS E1), E1-6 'Gross Scopes 1, 2, 3 and Total GHG emissions'.

Sto carried out a climate risk analysis for 56 locations in 2023 and 2024 in order to analyse the physical climate risks in its own operations., which was updated at the end of 2025 and did not lead to any material changes in the risks being assessed. The locations were identified on the basis of their relevance to operations. The analysis was carried out with regard to current and future physical climate risks, for which three climatic scenarios were used: SSP1-2,6 'Peak and Decline', SSP2-4,5 'Stabilisation without overshoot', and SSP5-8,5 'Rising'. These scenarios offer a broad perspective of possible climatic developments and their potential impacts on each location.

The following metrics were taken into account in the analysis:

- River flooding: assessment of risks due to rising water levels and flooding.
- Wind: analysing the impacts of strong winds and storms.
- Heat: investigating the risks of extreme hot spells and their influence on operating activities.
- Dry: assessment of the impacts of droughts on water supply and agricultural production.
- Cold: analysing the risks of extreme cold and its influence on infrastructure.
- Extreme precipitation: investigating the impacts of intense rainfall and its potential damage.

The greatest climatic dangers for the Sto Group's selected locations in the current climate are heatwaves, river flooding, heavy rainfall, and flash floods. Exposure to extreme heat in particular is a widespread issue. The risk figures for wind and cyclones, coastal flooding, cold, and dry weather, on the other hand, are in the low to very low range. Even in future scenarios, heatwaves, river flooding, heavy rainfall, and flash floods will remain the dominant climatic dangers for Sto locations. In a scenario involving 3.3 °C to 5.7 °C warming, the risk of heatwaves, heavy rainfall, and flash floods rises, while the risk of river flooding remains stable. The risk level associated with each analysed danger and the 'Peak and Decline' (SSP1-2.6) and 'Rising' (SSP5-8.5)

scenarios in the selected locations ranges from very low to high in the current and future climate. In this respect, the assessment of the vulnerability of the locations is based on climate scenarios with high emissions.

Within this analysis, the scope encompassed Sto's locations and risks. A specific analysis of the upstream value chain, opportunities, and transition risks was not carried out as part of the physical climate risk analysis. However, the findings from the climate risk analysis were used to draw conclusions for the upstream value chain at Sto's own locations. In the downstream value chain, potential risks relating to the storage and application of Sto products were analysed.

Sto has also defined short- and medium-term time horizons. Short-term time horizons refer to the period of one financial year (= calendar year), while medium-term time horizons refer to a period of up to five years. The definitions are related to the disclosure rules, strategic planning horizons, and capital allocation plans within the corporate and sustainability strategy. The corporate and sustainability strategy applicable in the year under review was defined for the period 2025–2030. The definition of long-term time horizons (more than five years) relates to the expected life of assets and Sto's product portfolio.

Sto also assessed the company's actual and potential impacts on climate change (i.e. its total greenhouse gas emissions) with the help of external service providers and greenhouse gas emission factor databases. The assessment primarily took into account the extent to which directives, actions, and targets address and cover the corresponding impacts, risks, and opportunities. It divided the magnitude into the categories of minor, medium, and major, and the degree of coverage into the categories of none, partial, dominant, and extensive.

The climate risks for the Sto Group determined by the physical climate risk analysis were identified over the short, medium, and long term. The magnitude of Sto assets' vulnerability to flooding and heavy rainfall is categorised as medium. This was determined by evaluating the climate risk analysis. Furthermore, business activities at Sto locations may experience a greater magnitude of vulnerability to heatwaves. This was also identified by evaluating the climate risk analysis.

Where gross physical risks are concerned, the magnitude of assets' vulnerability to climate-related dangers is categorised as medium. This was determined by evaluating the climate risk analysis in combination with the risk inventory. The building and installation assets are particularly vulnerable to climate-related dangers. In order to assess the magnitude of the individual assets' vulnerability to climate-related dangers, the likelihood of each location being affected by a medium or higher

ESRS 2 General information

climate risk was determined, as was the climate risk involved in each case and how the financial loss would be estimated – for example, if the assets at the affected location were to suffer significant damage in the event of a flood.

Where gross physical risks are concerned, the magnitude of Sto business activities' vulnerability to climate-related dangers is also categorised as medium. This was determined by evaluating the climate risk analysis in combination with risk management. The business activities involving production, distribution, and application of Sto products are particularly vulnerable to climate-related dangers. In order to assess the magnitude of the vulnerability to climate-related dangers, the likelihood of each location being affected by a medium or higher climate risk was determined, as was the climate risk involved in each case and how the financial loss would be estimated – for example, if operations at the affected location were to come to a standstill in the event of a flood. In addition, the climate risk analysis and publicly available climate data were used to estimate the extent to which the company's own business activities could be affected by a disruption to the supply chain or downstream value creation as a result of extreme weather events.

The climate-related transition risks and opportunities in Sto's upstream and downstream value chain were identified through an internal analysis and evaluated together with an external service provider. In this context, the climate-related transition events that impact Sto's own business activities and the upstream and downstream value chain were determined using publicly available data, taking into account at least one climate scenario with global warming limited to 1.5 °C with no or limited overshoot.

Sto has primarily identified medium-term transition events by analysing foreseeable or expected regulatory, social, technical, and economic changes. This included a review of whether Sto's assets and business activities could be exposed to these events. This was determined by an internal analysis. This evaluation process includes an estimate of whether the regulatory, social, technical, and economic changes under consideration could occur, the extent to which Sto's assets and business activities are exposed to these climate-related transition events, and the reasons for which gross transition risks or opportunities arise. The magnitude of the exposure of Sto's assets and business activities to climate-related transition events was only roughly determined in the process.

To determine transition events and assess exposure, Sto has used climate-related scenario analyses, taking into account at least one scenario that is in line with the

Paris Agreement and limits global warming to 1.5 °C. This was determined using publicly available data.

No assets and business activities have been identified that are not compatible with the transition to a climate-neutral economy or that require significant efforts to be compatible with the transition to a climate-neutral economy. This was determined by an internal estimate. In the context of the identified transition events, the buildings and installation assets are moderately vulnerable to rising construction and production costs, increased raw material costs, and costs associated with the transition to low-emission technologies. In the context of the identified transition events, the business activities involving the sale and application of Sto products are moderately vulnerable to growing regulatory requirements, increased raw material costs, changes in consumer behaviour, and uncertainties with regard to market signals. This was determined by an internal evaluation.

Where the resilience analysis is concerned, there are uncertainties in some of the assumptions regarding transition risks. At the same time, there are major overlaps with risk management and strategy development, which already take into account trends and risks, for example. In this respect, the business activities and assets exposed to risk have already been taken into account in the process of defining Sto's strategy. When investment decisions are made, risky business activities and assets are taken into account at least indirectly and to some extent during ongoing climate protection measures. The planned climate protection measures also take into account some risky business activities and assets. Existing climate protection measures and resources were taken into account as part of the resilience analysis. The policies, actions, and targets are described in more detail in Chapter 2 (ESRS E1).

Overall, Sto has the ability to adapt its business model to climate change in the short, medium, and long term thanks to its broad-based product portfolio, capacity for innovation, international presence, and flexible structures. The company can also adapt its strategy to climate change in the short and medium term by shifting its targets and initiatives.

Sto used the climate-related scenario analysis, including a series of climate scenarios, to determine and assess short- and medium-term physical risks and opportunities as described above. The information in this analysis was used as a basis for drawing conclusions.

Mathematical climate models and additional publicly available information and data were drawn upon when looking at the scenarios used to identify and assess the short-, medium-, and long-term physical risks and opportunities.

The scenarios and climate models used to determine and assess physical risks and opportunities in the short, medium-, and long-term have been adapted in line with current scientific knowledge. They reflect the state of knowledge that is generally publicly available in the area of changes within political, social, socio-economic, and technical fields. The classifications defined by the Task Force on Climate-Related Financial Disclosures (TCFD) were used for climate-related transition events. These scenarios were used to analyse both physical and transition risks and opportunities over different time periods. In order to identify and assess transition risks and opportunities in the short, medium, and long term, the time horizons were categorised into short-term (up to one year), medium-term (between one and five years), and long-term (over five years) horizons. The end points chosen were 2026, 2030, 2040, and 2050. Sto is of the opinion that the range of scenarios and assumptions used as a basis for identifying and assessing the short-, medium-, and long-term transition risks and opportunities covers plausible risks and uncertainties.

Climate change, political and regulatory assumptions, macroeconomic and social trends, consumer behaviour, energy consumption and the energy mix, as well as assumptions about technological developments, were identified as the most important drivers that were taken into account in the scenarios and assumptions in order to identify and assess the short-, medium-, and long-term physical risks and opportunities (see above). They are particularly relevant for Sto because they can have a major influence on the company's economic activities and profitability.

The scenarios include a high level of detail and were carried out at the level of specific geocoordinates. In addition, important limitations of the scenarios, such as inaccuracies in the calculation models, were taken into account in order to ensure an accurate assessment of physical risks and opportunities over different time periods.

When it came to identifying and assessing the short-, medium-, and long-term transition risks and opportunities, there was no detailed fundamental data available – apart from the TCFD classifications – for drawing upon or carrying out scenarios with a level of accuracy that was similar to the level that existed for the physical risks and opportunities. The level of detail is therefore relatively low. Another important limitation of the scenarios is the high level of uncertainty in the underlying assumptions.

ESRS E5

Process

In the context of the materiality assessment, the assumptions and methods described above were used to

determine the actual and potential impacts, risks, and opportunities relating to Sto's own activities and within the upstream and downstream value chain, as well as their materiality. As part of the materiality assessment, Sto reviewed the business activities and assets for actual and potential impacts, risks, and opportunities with regard to resource inflows, resource outflows, and waste. To ensure a holistic scope, the assessment framework included both the company's own activities and the upstream and downstream value chain. During the evaluation, these aspects were jointly assessed by experts in the areas of procurement, sustainability, and research and development using the methodology described above. Consultations with affected communities were not included in the assessment. In the areas of impacts, risks, and opportunities relating to the circular economy in particular, actions are implemented across the company and, therefore, across the various departments. Work on products and services is being done with a view to this in the areas of research and development, product management, materials management and logistics, marketing, sales, and sustainability in particular.

Resilience

ESRS E5

Sto is largely able to manage the material impacts and risks relating to the circular economy in the short, medium, and long term. The circular economy is a central component of Sto's sustainability strategy and is taken into account in the strategy and planning processes. In addition, operational directives, actions, and targets promote resilience. To fully cover the negative impacts on the circular economy, Sto is doing ongoing work in the area of returning and recovering packaging material, unused products, and dismantled material, as well as the use of recycled materials.

ESRS S1

Sto's resilience with regard to material social impacts is improved by the large number of policies and actions it develops and executes in the area of human resources, with a focus on the sustainability matter of 'Well-being, safety (including occupational safety), and pay of our own employees'. For the most part, the Group is able to address its impacts, risks, and opportunities on its own workforce over short-, medium-, and long-term time horizons and minimise negative effects.

ESRS S2

Sto is largely able to manage impacts on workers in the value chain. The risk assessment system is a key instrument in this, together with the target concerning recognition of the Supplier Code of Conduct. Durability exists over a short-, medium-, or long-term time horizon.

ESRS 2 General information

ESRS S4

Furthermore, Sto is largely capable of countering the material impacts on consumers and end-users in the short, medium, or long term. To ensure this, Sto has policies and actions related to information-related impacts for consumers and end-users in place. In particular, data protection protects personal data from misuse and promotes the personal safety of consumers and end-users through product labelling and product information.

ESRS G1

Sto is largely able to address the material impacts in the area of corporate governance over short, medium-, and long-term time horizons. This is managed in particular through directives, actions, and targets such as the Code of Conduct, the reporting system, and the target of 100 % recognition/sign-off of the Supplier Code of Conduct, as well as the risk assessment of all relevant suppliers.

Non-material topics

Sto has reviewed its locations and business activities in order to determine the actual and potential impacts, risks, and opportunities associated with pollution in the context of its own activities and within its upstream and downstream value chain. In the course of this, ESRS E2 was identified as a non-material standard. The methodology, assumptions, and instruments of the review have already been described in this chapter.

Sto also reviewed its assets and business activities in order to determine the actual and potential impacts, opportunities, and risks associated with water and marine resources in the context of its own activities and within the upstream and downstream value chain. As a result, ESRS E3 was identified as a non-material standard. The method, assumptions, and instruments of the review have already been explained.

Sto also determined and assessed the actual and potential impacts on biodiversity and ecosystems at its own locations and within the upstream and downstream value chain. Using the WWF Biodiversity Risk Filter, 56 (2024) and 55 (2025) sites were analysed with respect to their location and various biodiversity parameters, in the same way as the physical climate risk analysis. The results show that surrounding biodiversity sensitive areas are not negatively affected by the activities at the sites being investigated, and that these activities do not lead to a deterioration of natural habitats or the habitats of species, or to disruption of the species for which the protected area has been designated. Based on this, Sto has concluded that no biodiversity remedies need to be carried out.

Dependencies, transition risks, and physical and systemic risks and opportunities with regard to biodiversity

and ecosystems and their services were not taken into account. Based on the analysis and assessment, ESRS E4 was identified as a non-material standard. The methodology, assumptions, and instruments involved in the review have already been presented.

Sto determined and assessed the actual and potential impacts on affected communities at its own locations and within the upstream and downstream value chain. The results of the materiality assessment as at 31 December 2025 showed that Sto is predominantly active in countries where negative impacts are rare and of moderate magnitude. In addition, the results of the materiality assessment showed that the risk of material impacts occurs primarily in individual supplier settings. Conversely, there are no material opportunities and risks for Sto from a financial perspective as at the balance sheet date. Based on the analysis and assessment, ESRS S3 was identified as a non-material standard in the context of the materiality assessment.

No consultations were conducted with affected communities during the materiality assessment, including in relation to sustainability assessments of shared biological resources and ecosystems.

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The relevant information disclosed in connection with the material impacts, risks, and opportunities was identified on the basis of several criteria. An important indicator for determining the material information was the location of the material impacts, risks, and opportunities in the value chain. The reporting requirements were defined as material if the material impacts, risks, and opportunities covered the same area as required by the Disclosure Requirement. In addition, only reporting requirements with material impacts, risks, and opportunities in their sub-topics were recognised.

ESRS Disclosure Requirements

		Reference in the sustainability statement
ESRS 2		Chapter ESRS 2
BP-1	General basis for preparation of sustainability statements	Chapter BP-1
BP-2	Disclosures in relation to specific circumstances	Chapter BP-2
GOV-1	The role of the administrative, management and supervisory bodies	Chapter GOV-1
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Chapter GOV-2
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SBM-2	Interests and views of stakeholders	Chapter SBM-2
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter SBM-3
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Chapter IRO-1
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Chapter IRO-2
ESRS E1		Chapter ESRS E1
GOV-3	Integration of sustainability-related performance in incentive schemes	Chapter GOV-3
E1-1	Transition plan for climate change mitigation	Chapter E1-1
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter SBM-3
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Chapter IRO-1
E1-2	Policies related to climate change mitigation and adaptation	Chapter E1-2
E1-3	Actions and resources in relation to climate change policies	Chapter E1-3
E1-4	Targets related to climate change mitigation and adaptation	Chapter E1-4
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E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Chapter E1-7
ESRS E5		Chapter ESRS E5
IRO-1	Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter IRO-1
E5-1	Policies related to resource use and circular economy	Chapter E5-1
E5-2	Actions and resources related to resource use and circular economy	Chapter E5-2
E5-3	Targets related to resource use and circular economy	Chapter E5-3
E5-4	Resource inflows	Chapter E5-4
ESRS S1		Chapter ESRS S1
SBM-2	Interests and views of stakeholders	Chapter SBM-2
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter SBM-3
S1-1	Policies related to own workforce	Chapter S1-1
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	Chapter S1-2
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Chapter S1-3
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Chapter S1-4
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Chapter S1-5

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		Reference in the sustainability statement
Methodologies and assumptions		Methodologies and assumptions
S1-6	Characteristics of the undertaking's employees	Chapter S1-6
S1-8	Collective bargaining coverage and social dialogue	Chapter S1-8
S1-9	Diversity metrics	Chapter S1-9
S1-10	Adequate wage	Chapter S1-10
S1-14	Health and safety metrics	Chapter S1-14
S1-16	Compensation metrics (pay gap and total compensation)	Chapter S1-16
S1-17	Incidents, complaints and severe human rights impacts	Chapter S1-17
ESRS S2		Chapter ESRS S2
SBM-2	Interests and views of stakeholders	Chapter SBM-2
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter SBM-3
S2-1	Policies related to workers in the value chain	Chapter S2-1
S2-2	Processes for engaging with workers in the value chain about impacts	Chapter S2-2
S2-3	Processes to remediate negative impacts and channels for workers in the value chain to raise concerns	Chapter S2-3
S2-4	Taking action on material impacts on workers in the value chain, and approaches to managing material risks and pursuing material opportunities related to workers in the value chain, and effectiveness of those actions	Chapter S2-4
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Chapter S2-5
ESRS S4		Chapter ESRS S4
SBM-2	Interests and views of stakeholders	Chapter SBM-2
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter SBM-3
S4-1	Policies related to consumers and end-users	Chapter S4-1
S4-2	Processes for engaging with consumers and end-users about impacts	Chapter S4-2
S4-3	Channels for consumers and end-users to raise concerns	Chapter S4-3
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Chapter S4-4
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Chapter S4-5
ESRS G1		Chapter ESRS G1
GOV-1	The role of the administrative, management and supervisory bodies	Chapter GOV-1
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Chapter IRO-1
G1-1	Corporate culture and business conduct policies	Chapter G1-1
G1-2	Management of relationships with suppliers	Chapter G1-2
G1-3	Prevention and detection of corruption and bribery	Chapter G1-3
G1-4	Incidents of corruption or bribery	Chapter G1-4

Disclosure requirement and related data arising from other EU legislation	Reference to other EU legislation	Reference in the sustainability statement	Materiality assessment (material/'not material')
ESRS 2 GOV-1 sec. 21 (d) Gender diversity in the management and supervisory bodies	SFDR: Indicator number 13 Table #1 of Annex 1 Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Chapter GOV-1	material
ESRS 2 GOV-1 sec. 21 (e) Percentage of members of the management body who are independent	Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Chapter GOV-1	material
ESRS 2 GOV-4 § 30 Statement on due diligence	SFDR: Indicator number 10 Table #3 of Annex 1	Chapter GOV-4	material
ESRS 2 SBM-1 sec. 40(d) i. Involvement in activities related to fossil fuel activities	SFDR: Indicator number 4 Table #1 of Annex 1 Pillar 3: Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on Environmental risk, and Table 2: Qualitative information on Social risk Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II		not material
ESRS 2 SBM-1 sec. 40(d) ii. Involvement in activities related to chemical production	SFDR: Indicator number 9 Table #2 of Annex 1 Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II		not material
ESRS 2 SBM-1 sec. 40(d) iii. Involvement in activities related to controversial weapons	SFDR: Indicator number 14 Table #1 of Annex 1 Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material
ESRS 2 SBM-1 sec. 40(d) iv. Involvement in activities related to cultivation and production of tobacco	Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material
ESRS E1-1 § 14 Transition plan to reach climate neutrality by 2050	EU Climate Law: Regulation (EU) 2021/1119, Article 2(1)	Chapter E1-1	material
ESRS E1-1 sec. 16 (g) Undertakings excluded from Paris-aligned Benchmarks	Pillar 3: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g) and Article 12(2)		not material
ESRS E1-4 GHG sec. 34 GHG emission reduction targets	SFDR: Indicator number 4 Table #2 of Annex 1 Pillar 3: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 6	Chapter E1-4	material
ESRS E1-5 § 38 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR: Indicator number 5 Table #1 of Annex 1 Indicator number 5 Table #1 of Annex 2	Chapter E1-5	material
ESRS E1-5 § 37 Energy consumption and mix	SFDR: Indicator number 5 Table #1 of Annex 1	Chapter E1-5	material
ESRS E1-5 § 40-43 Energy intensity associated with activities in high climate impact sectors	SFDR: Indicator number 6 Table #1 of Annex 1	Chapter E1-5	material
ESRS E1-6 § 44 Gross Scopes 1, 2, 3 and Total GHG emissions	SFDR: Indicators number 1 and 2 Table #1 of Annex 1 Pillar 3: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1)	Chapter E1-6	material

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Disclosure requirement and related data arising from other EU legislation	Reference to other EU legislation	Reference in the sustainability statement	Materiality assessment ('material'/'not material')
ESRS E1-6 § 53-55 Gross GHG emissions intensity	SFDR: Indicator number 3 Table 1 in Notes 1 Pillar 3: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 8(1)	Chapter E1-6	material
ESRS E1-7 § 56 GHG removals and carbon credits	EU Climate Law: Regulation (EU) 2021/1119, Article 2(1)	Chapter E1-7	partly material sec. 56 (a) not material sec. 56 (b) material
ESRS E1-9 § 66 Exposure of the benchmark portfolio to climate-related physical risks	Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		not material
ESRS E1-9 sec. 66 (a) Disaggregation of monetary amounts by acute and chronic physical risk ESRS E1-9 sec. 66 (c) Location of significant assets at material physical risk	Pillar 3: Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, sections 46 and 47; Template 5: Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk		not material
ESRS E1-9 sec. 67 (c) Breakdown of the carrying value of its real estate assets by energy-efficiency classes	Pillar 3: Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Indicators of potential climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral		not material
ESRS E1-9 § 69 Degree of exposure of the portfolio to climate-related opportunities	Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1818, Annex II		not material
ESRS E2-4 § 28 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	SFDR: Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #1 of Annex 2 Indicator number 1 Table #1 of Annex 2 Indicator number 3 Table #1 of Annex 2		not material
ESRS E3-1 § 9 Water and marine resources	SFDR: Indicator number 7 Table #2 of Annex 1		not material
ESRS E3-1 § 13 Dedicated policy	SFDR: Indicator number 8 Table #2 of Annex 1		not material
ESRS E3-1 § 14 Sustainable oceans and seas	SFDR: Indicator number 12 Table #2 of Annex 1		not material
ESRS E3-4 sec. 28 (c) Total water recycled and reused	SFDR: Indicator number 6,2 Table #2 of Annex 1		not material
ESRS E3-4 § 29 Total water consumption in m ³ per net revenue on own operations	SFDR: Indicator number 6,1 Table #2 of Annex 1		not material
ESRS 2- SBM3 – E4 sec 16(a) i.	SFDR: Indicator number 7 Table #1 of Annex 1		not material
ESRS 2- SBM3 – E4 sec. 16(b)	SFDR: Indicator number 10 Table #2 of Annex 1		not material
ESRS 2- SBM3 – E4 sec. 16(c)	SFDR: Indicator number 14 Table #2 of Annex 1		not material
ESRS E4-2 sec. 24 (b) Sustainable land / agriculture practices or policies	SFDR: Indicator number 11 Table #2 of Annex 1		not material
ESRS E4-2 sec. 24 (c) Sustainable oceans / seas practices or policies	SFDR: Indicator number 12 Table #2 of Annex 1		not material
ESRS E4-2 sec. 24 (d) Policies to address deforestation	SFDR: Indicator number 15 Table #2 of Annex 1		not material
ESRS E5-5 sec. 37 (d) Non-recycled waste	SFDR: Indicator number 13 Table #2 of Annex 1		not material
ESRS E5-5 § 39 Hazardous waste and radioactive waste	SFDR: Indicator number 9 Table #1 of Annex 1		not material

Disclosure requirement and related data arising from other EU legislation	Reference to other EU legislation	Reference in the sustainability statement	Materiality assessment (material/'not material')
ESRS 2- SBM3 – S1 sec. 14(f) Risk of incidents of forced labour	SFDR: Indicator number 13 Table #3 of Annex 1	Chapter SBM-3	material
ESRS 2- SBM3 – S1 sec. 14(g) Risk of incidents of child labour	SFDR: Indicator number 12 Table #3 of Annex 1	Chapter SBM-3	material
ESRS S1-1 § 20 Human rights policy commitments	SFDR: Indicator number 9 Table #3 of Annex Indicator number 11 Table #1 of Annex	Chapter S1-1	material
ESRS S1-1 § 21 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Chapter S1-1	material
ESRS S1-1 § 22 Processes and measures for preventing trafficking in human beings	SFDR: Indicator number 11 Table #3 of Annex 1	Chapter S1-1	material
ESRS S1-1 § 23 Workplace accident prevention policy or management system	SFDR: Indicator number 1 Table #3 of Annex 1	Chapter S1-1	material
ESRS S1-3 sec. 32 (c) Grievance/complaints handling mechanisms	SFDR: Indicator number 5 Table #3 of Annex 1	Chapter S1-3	material
ESRS S1-14 § 88(b) and (c) Number of fatalities and number and rate of work-related accidents	SFDR: Indicator number 2 Table #3 of Annex 1 Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Chapter S1-14	material
ESRS S1-14 sec. 88 (e) Number of days lost to injuries, accidents, fatalities or illness	SFDR: Indicator number 3 Table #3 of Annex 1		not material
ESRS S1-16 sec. 97 (a) Unadjusted gender pay gap	SFDR: Indicator number 12 Table #1 of Annex 1 Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Chapter S1-16	material
ESRS S1-16 sec. 97 (b) Excessive CEO pay ratio	SFDR: Indicator number 8 Table #3 of Annex 1	Chapter S1-16	material
ESRS S1-17 sec. 103 (a) Incidents of discrimination	SFDR: Indicator number 7 Table #3 of Annex 1	Chapter S1-17	material
ESRS S1-17 sec. 104 (a) Non-respect of UNGPs on Business and Human Rights and OECD	SFDR: Indicator number 10 Table #1 of Annex Indicator number 14 Table #3 of Annex Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	Chapter S1-17	material
ESRS 2- SBM3 – S2 sec. 11 (b) Significant risk of child labour or forced labour in the value chain	SFDR: Indicators number 12 and 13 Table #3 of Annex 1		not material
ESRS S2-1 § 17 Human rights policy commitments	SFDR: Indicator number 9 Table #1 of Annex 3 Indicator number 11 Table #1 of Annex 1	Chapter S2-1	material
ESRS S2-1 § 18 Policies related to workers in the value chain	SFDR: Indicators number 11 and 4 Table #1 of Annex 3	Chapter S2-1	material
ESRS S2-1 § 19 Non-respect of UNGPs on Business and Human Rights and OECD	SFDR: Indicator number 10 Table #1 of Annex 1 Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	Chapter S2-1	material
ESRS S2-1 § 19 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Chapter S2-1	material
ESRS S2-4 § 36 Human rights issues and incidents connected to its upstream and downstream value chain	SFDR: Indicator number 14 Table #3 of Annex 1	Chapter S2-4	material
ESRS S3-1 § 16 Human rights policy commitments	SFDR: Indicator number 9 Table #1 of Annex 3 Indicator number 11 Table #1 of Annex 1		not material

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Disclosure requirement and related data arising from other EU legislation	Reference to other EU legislation	Reference in the sustainability statement	Materiality assessment ('material'/'not material')
ESRS S3-1 § 17 Non-respect of UNGPs on Business and Human Rights and OECD	SFDR: Indicator number 10 Table #1 of Annex 1 Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)		not material
ESRS S3-4 § 36 Human rights issues and incidents	SFDR: Indicator number 14 Table #1 of Annex 3		not material
ESRS S4-1 § 16 Policies related to consumers and end-users	SFDR: Indicator number 9 Table #1 of Annex 3 Indicator number 11 Table #1 of Annex 1	Chapter S4-1	material
ESRS S4-1 § 17 Non-respect of UNGPs on Business and Human Rights and OECD	SFDR: Indicator number 10 Table #1 of Annex 1 Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	Chapter S4-1	material
ESRS S4-4 § 35 Human rights issues and incidents	SFDR: Indicator number 14 Table #3 of Annex 1	Chapter S4-4	material
ESRS G1-1 sec. 10 (b) United Nations Convention against Corruption	SFDR: Indicator number 15 Table #1 of Annex 3	Chapter G1-1	material
ESRS G1-1 sec. 10 (d) Protection of whistleblowers	SFDR: Indicator number 6 Table #1 of Annex 3	Chapter G1-1	material
ESRS G1-4 sec. 24 (a) Fines for violation of anti-corruption and anti-bribery laws	SFDR: Indicator number 17 Table #3 of Annex 1 Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Chapter G1-4	material
ESRS G1-4 sec. 24 (b) Standards of anti- corruption and anti-bribery	SFDR: Indicator number 16 Table #3 of Annex 1	Chapter G1-4	material

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

Relevant information can be found in Chapter 1 (ESRS 2).

2.2. Strategy

E1-1 Transition plan for climate change mitigation

In 2025, Sto drew up an initial holistic transition plan for the Sto Group to achieve climate neutrality by 2050. Climate change mitigation is a central aspect of the sustainability strategy. As an international company, Sto is aware of its responsibility and is actively committed to protecting the planet. Sto is determined to make a contribution to climate change mitigation and shape a sustainable future through its business model, continuous improvements, and innovative approaches.

The transition plan for climate change mitigation developed by Sto outlines the steps to be taken to achieve a 1.5 °C global warming limit in line with the Paris Agreement. In addition, the transition plan supports Sto in systematically and efficiently achieving the climate targets and supplements the actions already taken as part of the sustainability strategy. Sto's target is to reduce total emissions across all scopes by at least 90 % by 2050 compared to the base year 2024.

Sto has created a science-based reference path based on the SBTi Net Zero Tool. The absolute contraction approach was applied in combination with the cross-sector pathway. The analysis shows that due to existing general conditions in terms of plant technology, long-term investment cycles, and expected production and sales developments, company-specific emissions are likely to rise until 2030 before converging with the modelled reference path from around 2035 and then starting to fall in absolute terms. Sto's reduction pathway is based on the greenhouse gas balance sheet (in accordance with E1-6), which was drawn up in accordance with the GHG Protocol. Like the GHG balance sheet, the target includes all greenhouse gases listed in the GHG Protocol.

Therefore, Sto is not setting any absolute reduction targets for 2030, but is documenting a clear decarbonisation pathway, identifying relevant levers, and outlining concrete actions that have already been implemented or are planned by 2030. This approach takes into account the current economic situation as well as

restrictions associated with technologies and investments. Sto does not currently expect new technologies to be used directly between now and 2030. The pathway is reviewed regularly (at least once a year) when the greenhouse gas balance sheet (GHG footprint) is updated, and adjusted to take account of new regulatory, economic, and technological developments.

Sto continues to focus on a 1.5 °C-compatible transformation pathway in the long term. The company will be more in line with the SBTi-compliant reduction pathway once technological and general economic conditions start to enable a switch to low-emission processes, which also applies in particular to the upstream value chain, as Sto is heavily dependent on innovations and reduction measures there in order to significantly reduce its own GHG footprint. Sto is thus laying the foundations today for durable, realistic, and long-term decarbonisation in line with the Paris Agreement.

Decarbonisation targets and levers

As part of the transition plan for climate change mitigation, Sto has defined a long-term decarbonisation pathway that is aligned with the targets of climate-neutral value creation by 2050. At the current time, medium-term reduction targets up to 2030 are not being set due to general conditions relating to technology, the economy, and plant technology. Instead, Sto is focussing on identifying and implementing actions by 2030 that will limit the increase in emissions and create the conditions for substantial reductions in emissions at a later date. To this end, relevant decarbonisation levers have been identified across the Scope 1, Scope 2, and Scope 3 emissions categories, including energy efficiency, the gradual expansion of renewable energy, the use of alternative raw materials, and optimisations in processes and supply chains. The objectives, along with the decarbonisation levers and actions, have been developed with the help of workshops with internal domain experts.

Scope 1 emissions

Scope 1 emissions are mainly caused by gas-powered installations, which cannot be replaced until after 2030 due to technical specifications and general economic conditions. In view of the technical and economic restrictions and expected business and production growth, Sto will not be able to achieve any significant absolute emission reductions in Scope 1 by 2030. A slight increase or a largely constant emissions trend is expected between now and 2030. Therefore, the company is not setting an absolute reduction target in

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Scope 1 for this period, but is focussing on transparency around the planned emissions pathway and on preparing actions that will be effective in the long term.

To counteract this expected emissions trend and tap into long-term potential for reductions, key decarbonisation levers have been identified for Scope 1:

- Energy efficiency
- Vehicle fleet

In addition to the existing actions, the Group is examining further options for reducing Scope 1 emissions, in particular the increased use of renewable energy sources such as biogas. However, the implementation of such actions is largely dependent on suitable political, regulatory, and general economic conditions that enable or facilitate the procurement, availability, and cost-effectiveness of such energy sources.

Without taking into account the company's growth, the planned actions will lead to a reduction in Scope 1 emissions of around 3,000 tonnes of CO₂e by 2030.

The following actions, which are explained in detail in E1-3 'Actions and resources in relation to climate change policies', are part of the decarbonisation levers mentioned:

- Electrification of the vehicle fleet
- Energy efficiency measures
- Installation of PV systems

Scope 2 emissions

Scope 2 emissions result primarily from bought-in electricity and district heating. Thanks to the increasing share of renewable energies, Sto can achieve a reduction in market-based Scope 2 emissions by 2030 despite the expected increase in production. Based on the current energy procurement situation and the planned actions, a reduction in market-based Scope 2 emissions of around 20 % is expected by 2030. This target can realistically be achieved under the current technical and general economic conditions.

To achieve this reduction target, specific decarbonisation levers have been identified that are aimed at both reducing electricity consumption and improving the quality of electricity procurement:

- Energy efficiency
- Renewable energies

Without taking into account the company's growth, the planned actions will lead to a reduction in market-based emissions of around 2,500 tonnes of CO₂e in Scope 2 by 2030.

The following actions, which are explained in detail in E1-3 'Actions and resources in relation to climate change policies', are part of the decarbonisation levers mentioned:

- Energy efficiency measures
- Sourcing of green electricity
- Sourcing of district heating from renewable energies

Scope 3 emissions

Sto's Scope 3 GHG emissions are largely characterised by goods and services purchased and represent the largest share of total greenhouse gas emissions. As these emissions mainly result from the manufacturing of purchased raw materials, there is only limited potential for direct influence. Sto is therefore highly dependent on suppliers decarbonising their own production processes and providing low-emission materials. Due to the current market situation, the limited availability of primary products with reduced emissions, and the expected growth in sales, no decline in Scope 3 emissions is expected in the short term. However, the forecast drawn up by Sto assumes that if suppliers achieve their defined reduction targets by 2030, this will have the effect of reducing emissions – even if this potential is initially overshadowed by the expected volume growth. As well as suppliers, this assumption also takes into account various sectors including waste recycling, the transport sector, and other upstream sectors aiming to reduce their emissions by 2030. This has an additional indirect effect on our own emissions.

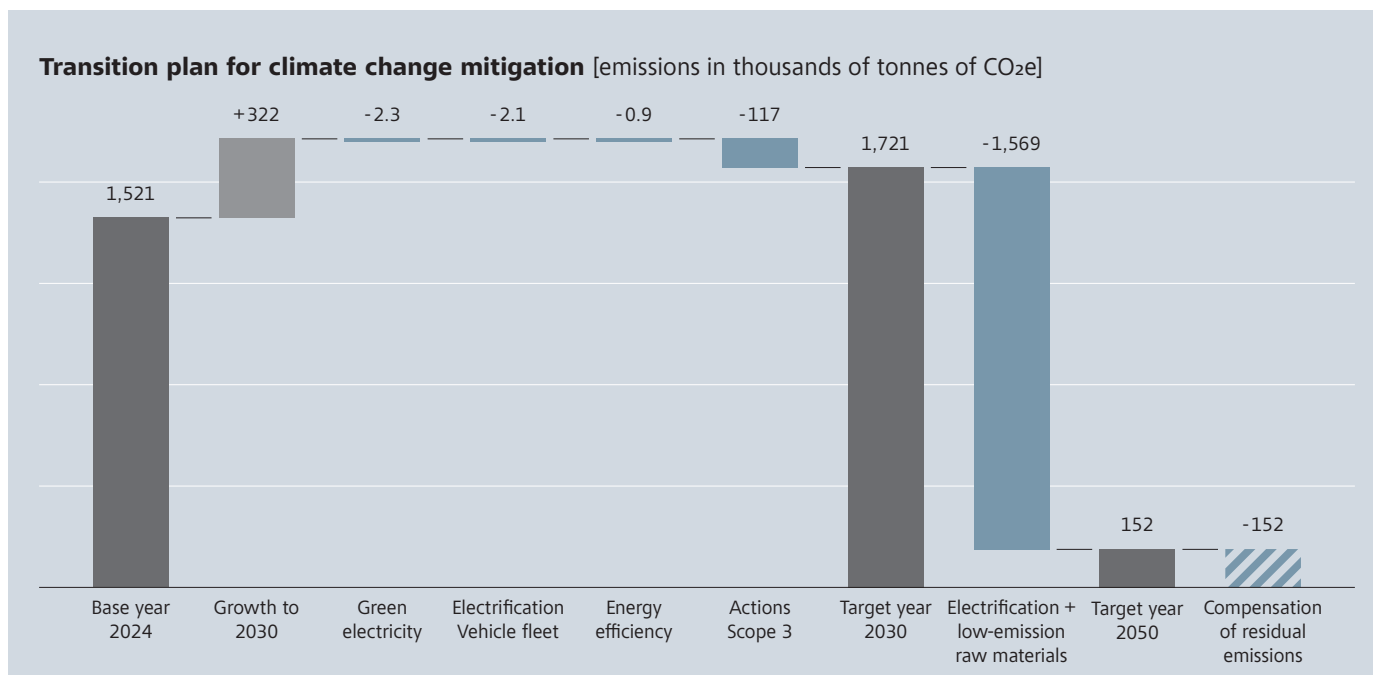
In order to tap into long-term reduction potential in spite of this, specific decarbonisation levers aimed in particular at transparency, cooperation with suppliers, and further development of the product portfolio have been identified:

- Supplier commitment
- Alternative raw materials
- Circular economy
- Recycled materials

Without taking into account the company's growth, the planned actions, along with the forecast reductions in the upstream chain, will lead to a reduction in Scope 3 emissions of around 115,000 tonnes of CO₂e by 2030.

The following actions, which are explained in detail in E1-3 'Actions and resources in relation to climate change policies', are part of the decarbonisation levers mentioned:

- Supporting suppliers in the setting and achievement of their own climate targets
- Use of low-emission raw materials
- Increased use of recycled materials in products
- Increasing the circular economy of products



A detailed quantified presentation of the GHG emission reduction targets set in accordance with the Disclosure Requirement E1-4 can be found in E1-4 'Targets related to climate change mitigation and adaptation'.

Investments and financial resources for the implementation of the transition plan with reference to the climate protection measures under Disclosure Requirement E1-3 and EU Taxonomy reporting

In accordance with Section 289b (1) in conjunction with Section 315b of the German Commercial Code (HGB) and Article 8 of the Taxonomy Regulation, Sto is under obligation to report on its Taxonomy-eligible and Taxonomy-aligned economic activities. The EU Taxonomy reporting can be found in the 'EU Taxonomy Reporting of the Sto Group'.

It is currently expected that EUR 3.8 million will be required to implement the transition plan by 2030.

Specifically, the investment (CapEx) of EUR 3.5 million in Taxonomy-aligned economic activities 3.5 and 7.6 is linked to supporting the implementation of the transition plan. In addition, Operating Expenditure (OpEx) as part of Taxonomy-aligned economic activity 3.5 is part of the transition plan. Sto has no Capital Expenditure and Operating Expenditure under CapEx plans in accordance with the EU Taxonomy.

Taxonomy-aligned Capital Expenditure and Operating Expenditure are allocated to the following climate protection measures according to Disclosure Requirement E1-3:

- Production and use of renewable energy
- Reducing the energy consumption of buildings

The description of the climate protection measures in accordance with the terms of the Disclosure Requirement E1-3 as components of the transition plan and the associated investments and financial resources are explained in detail in E1-3 'Actions and resources in relation to climate change policies'.

Locked-in GHG emissions

Scope 1 and Scope 2 emissions

Sto understands the locked-in GHG emissions associated with key assets from the year under review until 2030 and 2050 in tonnes of CO₂ equivalent and as the total of the estimated Scope 1 and Scope 2 emissions over the duration of use of the key active and fixed assets. The most significant assets are those owned or controlled by the company and consist of current or non-current assets (such as fixed or mobile installations, facilities, and equipment) that are sources of significant direct or energy-indirect greenhouse gas emissions. In this context, the production facilities, primarily gas-powered industrial furnaces for manufacturing façade systems and cladding, are the company's most important assets. These installations are still in an early to medium residual utilisation period and can only be replaced or converted to alternative energy sources in the medium to long term due to technical, investment, and licensing conditions – from 2030 at the earliest, realistically from 2035. This means that there are locked-in emissions in Scope 1 + 2 that can only be reduced to a limited extent in the short and medium- to long-term, and will only

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decrease significantly with the gradual replacement of the plant technology and the switch to alternative combustibles, so that no more locked-in emissions in Scope 1 and 2 are to be expected from 2045.

The locked-in GHG emissions in Scope 1 and 2 amount to 56,000 tonnes of CO₂e by 2030 (119,000 tonnes of CO₂e by 2035) and 201,000 tonnes of CO₂e by 2050.

Scope 3 emissions

According to EFRAG, the cumulative locked-in GHG emissions in Scope 3 are defined as related to the greenhouse gas emissions of products sold in the direct service life in tonnes of CO₂ equivalent. They are measured as the sales volume of the products in the year under review multiplied by the total estimated direct greenhouse gas emissions in the service life during their expected working life. However, as Sto's products do not cause any direct emissions during their service life, but on the contrary, insulation systems save energy and thus emissions, this definition is adjusted: Sto understands the cumulative locked-in GHG emissions as those emissions that are linked to the raw materials purchased and the transport of goods along the value chain.

The largest share of Sto's Scope 3 emissions is generated in Category 3.1 (Purchased goods and services) and results from the current material base. As alternative, low-emission raw materials can only be introduced gradually due to technical requirements, regulatory specifications, and limited market availability, there are structural locked-in emissions that are expected to remain relevant in the long term until 2050. Similarly, emissions in Scope 3.4 and 3.9 (transport and distribution) can only be reduced gradually. The decarbonisation of logistics systems depends on the development of technologies for alternative drive systems, infrastructure, fleet availability, and the ability of transport service providers to cooperate. A complete changeover will therefore also only be possible over a longer period of time, realistically from 2045 onwards.

The locked-in GHG emissions in Scope 3 amount to 3.4 million tonnes of CO₂e by 2030 (7 million tonnes of CO₂e by 2035) and 15 million tonnes of CO₂e by 2050.

Although the locked-in GHG emissions in Scope 1, 2, and 3 do not jeopardise the goal of climate neutrality by 2050, they do make it more difficult to achieve interim targets by around 2035.

Sto is not exempt from the harmonised EU reference values in accordance with the Paris Agreement on climate change.

Embedding the transition plan in the business strategy and financial planning

Climate change mitigation is an integral part of Sto's business model and sustainability strategy. For this reason, the transition plan is derived from the general business strategy and is embedded in the sustainability strategy. The transition plan has been approved by the Executive Board and the Supervisory Board. The Sustainability department is responsible for drafting and implementing the transition plan, supported by the Purchasing, Group Accounting, Controlling, and Internal Audit departments. The Sustainability department is responsible for the implementation and further development of the sustainability strategy on behalf of the Executive Board. The necessary financial resources are taken into account in the budget planning.

There were no material investments in connection with economic activities in the coal, oil, and gas sectors in the year under review 2025.

The year under review 2025 was the first time that Sto developed a transition plan for climate change mitigation. For this reason, no progress has been made at present.

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

In order to assess the material impacts, risks and opportunities and their interaction with the policy and business model in the area of 'Climate change', Sto has analysed the interactions with the sustainability matters. The 'Climate change' area comprises the following three sub-topics: 'Climate change adaptation', 'Climate change mitigation', and 'Energy'.

A detailed explanation of the approach and methodology can be found in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other report disclosures that require reference to the material impacts, risks and opportunities are presented at the level of sustainability matters.

Climate change adaptation

The following actual positive impact was identified in connection with the sustainability matter 'Climate change adaptation':

- 'The company's products and services help society deal with the consequences of climate change'.

It results from Sto's product portfolio. Insulation systems in particular have a major influence.

Due to the increasing probability of extreme weather scenarios, the following risk was identified as material:

- 'Financial risks due to physical climate risks with regard to own permanent establishments'.

The increased demand for Sto's product portfolio results in material opportunities:

- 'Increased sales and opening up of new business fields via a product portfolio that protects buildings and is thus adapted to climate change'.

The listed impacts, risks and opportunities of the sustainability matter 'Climate change adaptation' result from the business model and product portfolio within Sto's own business activities and with Sto's customers. Due to their economic attractiveness and technological advances, products that have a positive impact on climate change adaptation are highly relevant for Sto and are an integral part of the product strategy. Within Sto's sustainability strategy, these are located in the field of action of climate change mitigation. A significant share of Sto's products make a positive contribution in terms of material impact. People are thus better protected against heat and various extreme weather scenarios. It is expected that the frequency of such scenarios and the demand for such products will rise in the future.

Climate change mitigation

The following actual material positive impact was identified for the 'Climate change mitigation' sustainability matter:

- 'Sto's products support the reduction of greenhouse gas emissions in society as a whole'.

In addition, the following actual negative impact was identified:

- 'Sto still has Scope 1 and Scope 2 emissions that contribute to climate change'.

Another actual negative impact is:

- 'Sto still has Scope 3 emissions that contribute to climate change. There are emission-intensive value creation steps in Sto's supply chain in particular (e.g. chemicals, cement, bricks); in addition, Sto products are distributed by lorry transport, which is emission-intensive; a vehicle fleet is available for the sales force.'

One material risk identified as part of the materiality assessment is as follows:

- 'Increased costs with a view to rising CO₂ prices due to stricter regulations and the resulting actions to reduce greenhouse gas emissions'.

In addition, this material opportunity was identified:

- 'Increased demand for products due to stricter climate change mitigation'.

This is the result of increased demand for Sto's product portfolio.

The impacts, risks and opportunities listed in this context result from the business model and product portfolio, both within the company's own business activities, with customers, and in the upstream value chain. Sto is aware that its business activities, including its energy-intensive supply chains, can have negative impacts on climate change. To counteract this, various actions were taken in the year under review, which are described in detail in Chapter E1-3 'Actions and resources in relation to climate change policies'. Due to their economic attractiveness and technological advances, products that have a positive impact on climate change mitigation are highly relevant for Sto and are an integral part of the product strategy. These actions are located within the sustainability strategy in the field of action of climate change mitigation. In terms of material impacts, Sto's products make a positive contribution by helping customers to reduce their emissions through energy efficiency.

Energy

The following actual positive impact was identified for the 'Energy' sustainability matter:

- 'Sto places a high value on energy efficiency and the use of renewable energies'.

This positive impact is the result of energy management and the certification of sites in accordance with ISO 50001 as well as the high use of renewable energy sources.

An actual negative impacts is:

- 'Low energy efficiency in certain companies without energy management and high use of fossil energy sources for energy generation and by the vehicle fleet.'

To counteract this, Sto plans to implement an energy management system for all production sites. More detailed information can be found in E1-4 'Targets related to climate change mitigation and adaptation'. The fleet of vehicles and energy production in the company's own business activities result in a high use of fossil energy sources in the course of operating activities.

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Another actual negative impact was also identified:

- 'There are energy-intensive value chain steps in Sto's supply chain'.

Chemicals, cement and mineral wool in particular are products of energy-intensive manufacturing processes. These are central to the manufacturing of the product portfolio due to the lack of substitutability.

The following material risk was identified as part of the materiality assessment:

- 'Increased costs due to stricter regulations and/or taxation regarding the use of fossil fuels'.

This is a financial risk that can lead to significantly higher costs due to legislation and stricter regulation.

The impacts and risks listed in this context result from the business model and product portfolio within Sto's own business activities, with customers, and in the upstream value chain. Thanks to the positive impact, Sto makes a significant contribution to reducing customers' energy consumption and thus GHG emissions. The negative impacts affect people and the environment, as the use of fossil energy sources and the vehicle fleet with combustion engines are associated with corresponding GHG emissions. The impacts result from the direct sourcing of fossil energy sources. Some of these are without substitution options. There is a direct link to the business model, as climate change mitigation and environmental protection are strategic issues. The use of renewable energy is also anchored in the corporate strategy.

The risks identified in the materiality assessment are transitory risks that arise for Sto due to the impacts of climate change on the economy.

Sto has implemented various policies, actions and targets to address the management of impacts, risks, and opportunities. In the following Chapters, this description takes place at the level of sustainability matters.

Sto's resilience analysis was described in Chapter 1 in (ESRS 2) Chapter IRO-1 'Description of the processes to identify and assess material pollution-related impacts, risks and opportunities'.

2.3. Management of impacts, opportunities and risks

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

These disclosures are reported in Chapter 1 (ESRS 2).

E1-2 Policies related to climate change mitigation and adaptation

Policies related to climate change adaptation:

The Sto Group does not currently apply any policies in connection with the sustainability matter 'Climate change adaptation'. No specific policies are currently implemented in this sustainability matter, as immediate current risks and mitigation measures are recorded via the existing risk management system. Medium- to long-term risks and actions are part of the sustainability strategy in general terms. In addition to drawing up a transition plan in 2025, Sto repeated the location-based analysis of physical climate risks and intends to use the findings in 2026 for a corresponding policy for the development and implementation of actions as required for climate change adaptation.

Policies related to climate change mitigation:

Sto applies the policies of the sustainability strategy with the 'Climate change mitigation' field of action ('Energy efficiency in procurement (life cycle)' and 'Principles of the integrated management system') to manage the material impacts, risks, and opportunities associated with the 'Climate change mitigation' sustainability matter. These relate to the company's own operational activities and the upstream value chain.

One policy that addresses the impacts, risks, and opportunities in the 'Climate change mitigation' sustainability matter is 'Energy efficiency in procurement (life cycle)'. If employees identify a need for products or services, the requisitioner must check the energy relevance together with the energy manager or the energy management officer. Products or services are considered energy-relevant if they have a power consumption of more than 50 kW and/or a coverage of 20,000 kWh/year. In this case, energy-efficient alternatives must be sought, for each of which a life cycle cost analysis is carried out. The technical assessment is carried out by the employees, the energy assessment by the energy manager, and the economic assessment by Purchasing. The selection process then takes place as a consensus decision. The target of this policy is to create awareness of energy efficiency and to reduce energy consumption and CO₂ emissions. This policy applies to all Sto companies with an energy management system and therefore worldwide. It relates to the company's own operating activities. Effects on the upstream or downstream value chain are indirect at best, for example in the case of actions relating to logistics. The Internal Audit department is responsible for implementing the policy with the support of the Sustainability department, while the individual site managers (operators) are responsible for implementing the actions. Energy consumption is measured and monitored continuously. Twice a year, the Executive Board of STO Management SE is informed about certifications, audits, targets, energy performance indicators,

and actions in the form of an energy management review. The interests of the most important stakeholders were indirectly taken into account when the policy was resolved through the involvement of the affected and co-responsible departments with knowledge of stakeholder interests. The policy is made available via the 'Stolinside' intranet and is therefore accessible to potentially affected stakeholders whose help is needed for implementation.

The commitment to climate change mitigation is rounded off by the 'Principles of the Integrated Management System' policy, which relates to quality, safety, environment and energy issues and addresses aspects of climate change mitigation as well as energy and resource efficiency in particular. Within this framework, Sto identifies risks arising from climate change, takes actions for climate change adaptation, and develops the basis for a climate protection strategy. In this way, Sto's management system lays the groundwork for achieving its goals. As far as possible, the respective climate protection measures are integrated into existing energy management systems. If these are not yet in place, they are established and corresponding processes and responsibilities are defined. The target of this policy is to establish sustainability in Sto's business processes. In order to implement this holistically, Sto is guided by the relevant ISO sets of rules for quality, environment, safety and energy. This policy applies to all Sto companies with an energy management system. The Internal Audit department is responsible for implementing the policy with the support of the Sustainability department, while the individual site managers (operators) are responsible for implementing the actions. The interests of the most important stakeholders were indirectly taken into account when the policy was resolved through the involvement of the affected and co-responsible departments with knowledge of stakeholder interests. The policy is made available via the 'Stolinside' intranet and is therefore accessible to potentially affected stakeholders whose help is needed for implementation.

Policies related to energy:

The 'Energy efficiency in procurement (life cycle)' policy is also used in the 'Energy' sustainability matter to deal with the impacts and risks of the sustainability matter. At the moment, there is no policy that specifically promotes the use of renewable energy, but this is part of the (potential) actions in the climate transition plan.

E1-3 Actions and resources in relation to climate change policies

Actions related to climate change adaptation:

The following actions were taken by Sto to deal with the impacts, opportunities and risks in connection with the sustainability matter 'Climate change adaptation'.

Climate risk analysis

As part of the climate risk analysis, Sto identifies climate-related risks and implements actions to avoid or mitigate negative impacts. For example, we must increasingly focus on risks from severe weather, which can have a huge and unpredictable impact on the business, the locations, and the supply chains. This action contributes to the corporate target of climate change mitigation and sustainable, profitable, and capital-efficient growth. It includes consulting and analysis activities, relates to the geographical areas of the entire Sto Group, and covers our own operating activities as well as the upstream supply chain. It is planned to maintain the action on a permanent basis. No particular progress was made in this action in the year under review. The general aim was to keep the risk analysis up to date and to derive actions from it as required. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

No overarching policy with a corresponding package of actions based on the climate risk analysis has yet been implemented. Immediate risks and actions are recorded in the risk management system. Indirect risks were analysed in more detail in 2025, but no urgent actions were identified as being necessary in the year under review.

Actions related to climate change mitigation and energy:

Sto has taken the following actions to deal with the effects of impacts, risks, and opportunities in the 'Climate change mitigation' sustainability matter.

Package of measures to achieve the climate action targets and in connection with the transition plan

In order to achieve the climate action targets of 'Increasing energy efficiency', 'Continuously reducing our carbon footprint', and 'Using renewable energies and renewable raw materials' defined in the sustainability strategy, Sto launched a package of measures that continued to be implemented in 2025. The package of actions relates to both the product portfolio and business processes.

The following actions relate to the product portfolio:

- Identification of products and systems that contribute to climate change mitigation and determination of both their future potential for the company's economic strength and their concrete contribution to reducing greenhouse gas emissions. Specifically, this concerns
 - External thermal insulation composite systems (ETICS) and ventilated rainscreen cladding systems (RSC): reducing emissions by saving energy and conserving resources by maintaining existing buildings through energy retrofitting;

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- Facade coatings (e.g. renders): protection and preservation of buildings (and an integral part of permanent facade insulation systems);
- Concrete repair: extending the useful life of buildings.
- Determining, quantifying, and publishing the environmental effects of the products and systems with a clear focus on our carbon footprint; for example, through Environmental Product Declarations (EPDs).
- Creating specific life cycle assessments for Sto products and systems, and constructing a life cycle assessment database to analyse and optimise the impact of Sto products on climate change.
- Development projects with the upstream value chain to reduce greenhouse gas emissions.

The following actions relate to business processes:

- Preparation of CO₂ balance sheets using the official directives of the Greenhouse Gas Protocol for all Sto companies (Scope 1, Scope 2, and Scope 3).
- Group-wide introduction of energy management systems and, building on this, improvement of the energy efficiency of the company's own operations. To improve energy management, Sto is guided by ISO 50001. In 2025, the German companies Sto SE & Co. KGaA with all production sites and the relevant SalesCentres in Germany, StoCretec GmbH, Innolation GmbH, Verotec GmbH, Ströher GmbH, Ströher Produktions GmbH & Co. KG, VIACOR Polymer GmbH, Liaver GmbH & Co. KG, the French company Innolation S.A.S., the Czech company STOMIX spol. s r.o., and the Austrian company Sto Ges.m.b.H. held ISO 50001 certification. The energy management system, which is used to recognise energy consumption, monitor energy use, raise energy efficiency and create the basis for CO₂ balance sheets, forms a material pillar. By complying with ISO 50001, unutilised energy efficiency potential can be tapped. A holistic approach is taken and the vehicle fleet, buildings, infrastructure, technology, employees, processes and organisational procedures are incorporated into the analysis. The ISO 50001 audit certified a very high level of efficiency. An analysis by the internal 'Energy efficiency and climate change mitigation at Sto' network comes to the same conclusion. A high level of energy and resource efficiency has already been achieved in the company through many years of consideration of energy-relevant topics. Taking the usual optimisation measures as a basis, no sudden improvements are to be expected in the coming years. This is especially true for the production division, where the technical possibilities have already been exhausted in many areas. Accordingly, for future savings in energy, greater attention is being paid to process optimisations that are to be implemented consistently across all areas of the company.
- Analysis of CO₂ emissions for investments in machinery, equipment, vehicle fleets, real estate, and buildings, taking into account climate-impacting and economic

aspects, especially through potentially rising CO₂ prices. When making purchases, Sto takes into account the current state of the art; when taking actions to reduce energy consumption, the savings potential with regard to CO₂ emissions is determined; when making investments, a full cost analysis is prepared. CO₂ prices and emissions are taken into account.

- Reduction of the energy consumption of buildings through the use of Sto products and compliance with high energy efficiency standards, generation of renewable energy at our own locations as part of the replacement of heating systems, construction of new buildings, refurbishment of existing buildings and site planning in order to completely avoid energy-related greenhouse gas emissions. Construction of new buildings at Sto is carried out to nearly zero-energy or better standards. Refurbishment measures are also aimed at reducing the company's energy consumption and direct emissions. Energy efficiency measures in buildings and investments are monitored and employees are incorporated into initiatives for saving energy. The potential for reducing and substituting energy requirements at other locations is also being systematically analysed.
- Generation and direct utilisation of renewable electricity at our own sites. Various locations in Europe were gradually equipped with photovoltaic systems. By the 2025 year end, the installed capacity at the Sto locations totalled 3,800 kilowatt peak (kWp). This will enable the Sto Group to generate 3.8 million kWh of renewable electricity. At the Stühlingen/Germany site, the company operates its own hydropower plant with near-natural water flow and an annual output of over 200,000 kWh. Photovoltaic systems are located at production sites and sales sites in Germany, Austria, France, Poland, Belgium, Spain, and Norway, and are planned at various other Group locations. Furthermore, the additional possibilities for the generation of renewable energies, such as wind power, at the sites are being examined. The increased use of green electricity to reduce CO₂ emissions in Scope 2 is also being implemented.
- Support for climate change mitigation through voluntary, verifiable compensation measures: unavoidable greenhouse gas emissions are offset voluntarily on a small scale by acquiring corresponding climate certificates (applied to Sto companies with verified CO₂ balance sheets and selected Sto products); support for a number of climate protection projects with the purchase of climate certificates, particularly in developing and emerging countries.
- Incorporating climate change risks in the form of increased severe weather, potential local water shortages, and the like in the risk management system.

These actions contribute to the corporate target of climate neutrality by 2050. The geographical focus is on Europe, while individual actions such as the recording and analysis of greenhouse gas emissions, and the

introduction of energy management systems, are implemented globally.

In addition to the package of measures listed here, Sto implemented various individual measures in the year under review.

Renewal of the car fleet

Sto is gradually switching to electric vehicles when renewing its car fleet. When selecting company vehicles, Sto is guided by a complex full cost analysis with an optimum ratio between price, service, consumption, and CO₂ emissions. This action contributes to the corporate target of climate change mitigation. The geographical focus is on Germany and selected subsidiaries in Europe. Sto SE & Co. KGaA aims to establish 80.0 % of newly purchased vehicles as electric vehicles by 2030 and at the same time reduce the share of diesel vehicles. It is planned to maintain the action on a permanent basis. Progress was made in increasing the share of electric vehicles in the reported action in the current financial year. The share of newly purchased electric vehicles rose from 18.2 % in 2024 to 38.5 % in 2025. The share of e-vehicles in the car fleet increased from 7.4 % (2024) to 12.2 % (2025). The share of diesel vehicles fell accordingly from 92.6 % to 87.8 %. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

Expansion of the charging infrastructure for e-mobility

The charging infrastructure is being gradually expanded at the locations in Germany. The charging points at Stühlingen/Germany are not only available to employees and visitors, but also to tourists. The charging stations are supplied with hydroelectricity. This action contributes to the corporate target of climate change mitigation. The geographical focus of the expansion of the charging infrastructure for e-mobility is also on locations in Germany. It is planned to maintain the action on a permanent basis. In the case of the reported action, progress was made in the current financial year with regard to the expansion of charging points. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

Thanks to the complexity of the actions in the 'Climate change mitigation' and 'Energy' sustainability matter, the Sto Group succeeded in achieving the reduction target defined as part of energy management of an average cut of one per cent per year in the year under review, with reference to the base year 2019. Decarbonisation levers such as increasing energy efficiency, generating energy from renewable energy sources, investing in low-carbon technologies, and sourcing renewable energy were used. Nature-based solutions

were not used in the listing. Sufficient financial and human resources have been made available for these actions. In the year under review, funds amounting to around EUR 1.0 million were made available for these actions in the Sto Group. These are part of other operating expenses and personnel expenses in the consolidated statement of profit or loss.

2.4. Key figures and targets

E1-4 Targets related to climate change mitigation and adaptation

Targets related to climate change adaptation:

Sto has not set any targets for the management of impacts, risks and opportunities in connection with the sustainability matter 'Climate change adaptation' because the adaptation measures are not defined and implemented at Group level, but at location or company level, and the product portfolio is part of the global business strategy. The company monitors the effectiveness of its policies and actions by integrating sustainability matters into the risk management system. The defined targets are case-specific and are filed as actions in the risk management system. The progress has been measured since the introduction of the risk management system and evaluated with the help of the specialist departments.

Targets related to climate change mitigation and the transition plan:

Sto has set the following targets for managing material climate-related impacts, risks, and opportunities as part of the revision of the sustainability strategy in 2025: continuous reduction of our carbon footprint (in accordance with the transition plan), climate neutrality by 2050 (in accordance with the EU definition), and energy management systems at all production facilities. Sto's greenhouse gas reduction target (climate neutrality by 2050) was set as part of the revision of the sustainability strategy in 2025 in order to respond to the effects of the impacts, risks, and opportunities in the area of the 'Climate change mitigation' sustainability matter.

The 2025 transition plan contains the specific emission reduction targets.

Continuous reduction of our carbon footprint (in accordance with the transition plan)

In 2025, it was determined during the preparation of the transition plan that no absolute reduction in greenhouse gas emissions is possible until 2030 due to the company's growth. The target for the period up to 2050 is a reduction of at least 90 % compared to the base year 2024. The target is an absolute target. It is directly related to Sto's strategic targets in the field of action of climate change mitigation and in line with the business strategy. It relates to Sto's greenhouse gas emissions

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that fall under Scope 1, 2, and 3. The reference value is the total amount of Scope 1 GHG emissions (26,311 tonnes of CO₂e), market-based Scope 2 GHG emissions (5,933 tonnes of CO₂e), and the total amount of Scope 3 GHG emissions (1,489,152 tonnes of CO₂e) of the Sto Group. The reference year for measuring progress was set as 2024 (the first year in which a complete GHG balance sheet was available for the entire Sto Group). The methods and significant assumptions used to set the targets include various scientific findings and best practices. In particular, findings from the 'Roadmap to climate neutrality' of VDPM e.V. are being incorporated into the planning. The achievement of targets is monitored and reviewed using specific methods that are continuously developed and adjustments are made. Stakeholder engagement in the definition of targets is achieved by involving internal departments and taking political and legal requirements into account. It is monitored and reviewed by drawing up and publishing an annual greenhouse gas balance sheet for the Sto Group. In this context, the reduction targets were adapted to the corresponding reporting requirements of ESRS E1.

Sto has set GHG emission reduction targets for the management of material climate-related impacts, risks, and opportunities by identifying and analysing the most important decarbonisation levers. The targets are not based on scientific evidence.

The GHG emission reduction targets are given in absolute values in tonnes of CO₂ equivalents and as a percentage of the emissions of the base year 2024.

Combined GHG emission reduction targets

Sto states the combined GHG emission reduction targets in the table 'Gross Scopes 1, 2, 3 and Total GHG emissions' in E1-6.

Consistency between the GHG emission reduction targets and the limits of the greenhouse gas inventory is assured by drawing up a complete GHG balance sheet each year and comparing it with the target values. Sto chose 2024 as the base year as that was the first time a complete GHG balance sheet was drawn up. From 2030, the base year will be updated every five years. Sto sees no need to adjust the reference value at the current time, thereby ensuring that the reference value used to measure progress against the target is representative of the activities covered and influences from external factors.

The GHG emission reduction targets listed include targets for 2030 and 2050. From 2030 onwards, targets will be set every five years. Sto uses a cross-sector emissions pathway when determining target values. The targets were subjected to a content-related audit with limited assurance by the auditor. Validation by an external third party is not available.

Sto is not incorporating climate compensation certificates, avoided emissions, or the removal of greenhouse gases in order to achieve the GHG emission reduction targets (at least 90 % reduction by 2050).

Climate neutrality by 2050 (in accordance with the EU definition)

The Sto Group has set itself the target of achieving climate neutrality by 2050. The target was set as part of the revision of the sustainability strategy in 2025 and relates to Sto's greenhouse gas emissions that fall under Scope 1, 2, and 3. The target level set was defined as 'net zero' in accordance with Regulation (EU) 2021/1119 (European Climate Law). The target is an absolute target. It is directly related to Sto's strategic targets in the field of action of 'Climate change mitigation' and is integrated into the business strategy. The scope of the target extends to the company's entire value chain. The reference value is the total amount of Scope 1 GHG emissions (26,311 tonnes of CO₂e), market-based Scope 2 GHG emissions (5,933 tonnes of CO₂e), and the total amount of Scope 3 GHG emissions (1,489,152 tonnes of CO₂e) of the Sto Group. 2024 was set as the reference year for measuring progress. The methods and significant assumptions used to set the targets include targets and definitions from the United Nations and the European Union (including the Paris Agreement, the European Green Deal and the CSRD). The stakeholder engagement in the definition of targets takes place through the consideration of political and legal requirements. The target is monitored and reviewed by drawing up and publishing an annual greenhouse gas balance for the Sto Group. In this context, the reduction target has been adapted to the corresponding reporting requirements of ESRS E1.

Targets in connection with energy:

The following targets have been defined by Sto in order to respond to the effects of the impacts, risks and opportunities of the 'Energy' sustainability matter.

Energy management systems at all production facilities

As part of the revision of the sustainability strategy in 2025, the Sto Group has set itself the target of introducing energy management systems in all countries with production facilities by 2030. The target was defined as energy monitoring with subsequent analysis and control of the material consumers. Monitoring is central to the measurement and control of energy consumers, it serves as the basis for energy management and should contribute to the optimisation of energy consumption in the future. The specified target level is defined as the share of Sto production facilities that have an energy management system in accordance with ISO 50001 or an alternative system for the recognition and control of energy consumption. The target is an absolute target. In 2025, 13 out of 33 (previous year: 11 out of 32)

production facilities had an energy management system in accordance with ISO 50001 and all production facilities had an energy monitoring system. The project is anchored in the strategic area of climate change mitigation and is in line with Sto's business strategy. The reference value and the reference year for measuring progress were set as 100 % and 2025 respectively. The methods and significant assumptions used to set the targets include national and European standards and regulations (including the Energy Efficiency Act, the European Union's energy efficiency policy, and the Green Deal). This commitment emphasises the Sto Group's obligation to use energy sustainably and efficiently in its production processes. The target is based on conclusive scientific findings on environmental aspects of energy efficiency and energy management (based on ISO 50001). The stakeholder engagement in the definition of targets takes place indirectly through the consideration of political and social aspirations for energy efficiency. The target was redefined in the year under review. It is monitored and reviewed by establishing centralised coordination via the Sustainability department with the support of the Internal Audit department. The progress is in line with the original planning.

E1-5 Energy consumption and mix

Energy consumption and mix, energy production and energy intensity

	2025	2024
Total energy consumption (MWh)	182,995	171,287
Total energy consumption from fossil fuels (MWh)	141,874	139,283
Fuel consumption from coal and coal products (MWh)	154	63
Fuel consumption from crude oil and petroleum products (MWh)	36,773	40,842
Fuel consumption from natural gas (MWh)	91,885	78,019
Fuel consumption from other fossil sources (MWh)	0	0
Consumption from purchased or received electricity, heat, steam and cooling and from fossil sources (MWh)	13,062	20,359
Total energy consumption from nuclear sources (MWh)	3,225	983
Total energy consumption from renewable sources (MWh)	37,896	31,021
Fuel consumption from renewable sources (MWh)	150	125
Consumption of purchased or received electricity, heat, steam and cooling and from renewable sources (MWh)	35,160	28,622
Consumption of self-generated renewable energy other than fuels (MWh)	2,586	2,274
Energy intensity associated with activities in high climate impact sectors (MWh/EUR)	0.0001	0.0001
Energy production		
Production of non-renewable energy (MWh)	0	0
Production of renewable energy (MWh)	3,158	2,757

The Sto Group's net sales revenue in the 2025 financial year totalled EUR 1,591 million (previous year: EUR 1,612 million, see Consolidated annual financial statement of the Sto Group (IFRS), Notes, Note (1) Revenue). The figures for energy intensity were derived from the total energy consumption and the net sales revenues from activities in high climate impact sectors.

The Sto Group's net turnover is attributable entirely to the following high climate impact sectors:

- C.20.30: 'Manufacture of paints, varnishes and similar coatings, printing ink and mastics'
- C.23.21: 'Manufacturing of ceramic wall and floor tiles and slabs'
- C.23.64: 'Manufacture of mortars'
- G. 46.13: 'Activities of agents involved in the wholesale of timber and building materials'

Methodologies and assumptions

The data on energy consumption and the primary data on greenhouse gas emissions were requested from the Group companies and collated. For energy consumption, the primary data was collected in different units of measure and converted into Mega-Watt-hours (MWh) using appropriate conversion factors. The data on energy consumption comes largely from direct measurements such as invoices from energy service providers or meter readings from measuring meters. At locations where no data was available at the time of data collection in January 2026, estimates were made on the basis of the previous year's data.

The data on fuel consumption from renewable sources also includes biomass (including industrial and municipal waste of biological origin), biofuels, biogas and hydrogen from renewable sources.

When calculating some quantitative data as part of carbon footprinting, Sto relies on extrapolations, estimates and assumptions if no data is available in real terms.

The energy management system in accordance with ISO 50001 at Sto SE & Co. KGaA, StoCretec GmbH, Innolation GmbH, and Verotec GmbH was audited by DQS GmbH. At Liaver GmbH & Co. KG it was audited by GUTcert GmbH, at Ströher GmbH and Ströher Produktions GmbH & Co. KG by Deutsche Managementsystem Zertifizierungsgesellschaft mbH, at VIACOR Polymer GmbH by SystemCERT Zertifizierungsges.m.b.H., at Sto Ges.m.b.H by Quality Austria Certification GmbH, at STOMIX spol s.r.o. by URS Ltd, and at Innolation S.A.S. by AFNOR CERTIFICATION. Accordingly, the energy consumption of the companies certified to ISO 50001 was validated by an external body. The key figures were collected in January 2026 for the 2025 financial year and subjected to a content-related audit with limited assurance by the auditor.

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E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

	Base year 2024	2024	2025	% 2025/2024	Milestones and target years		
					2030	2050	Annual % of target 2030/base year
Scope 1 GHG emissions							
Scope 1 GHG gross emissions (tCO ₂ e)	26,311	26,311	28,212	7.2	28,720	2,631	1.5
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (in %)	16.7	16.7	22.6				
Scope 2 GHG emissions							
Location-based Scope 2 GHG gross emissions (tCO ₂ e)	14,035	14,035	13,697	-2.4			
Market-based Scope 2 GHG gross emissions (tCO ₂ e)	5,933	5,933	5,787	-2.5	4,574	593	-3.8
Significant Scope 3 GHG emissions							
Total indirect (Scope 3) gross GHG emissions (tCO ₂ e)	1,489,152	1,489,152	1,259,470	-15.4	1,687,650	148,916	2.2
1 Purchased goods and services	895,377	895,377	812,273	-9.3			
2 Capital goods	19,382	19,382	18,394	-5.1			
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	6,892	6,892	7,851	13.9			
4 Upstream transportation and distribution	177,846	177,846	96,934	-45.5			
5 Waste generated in operations	9,077	9,077	9,550	5.2			
6 Business travelling	2,868	2,868	1,979	-31.0			
7 Employees commuting	4,104	4,104	3,987	-2.9			
8 Upstream leased assets	-	-	-	-			
9 Downstream transportation	13,947	13,947	16,030	14.9			
10 Processing of sold products	92,935	92,935	88,590	-4.7			
11 Use of sold products	-	-	-	-			
12 End-of-life treatment of sold products	207,205	207,205	181,353	-12.5			
13 Downstream leased assets	-	-	-	-			
14 Franchises	-	-	-	-			
15 Investments	59,519	59,519	22,529	-62.1			
Total GHG emissions							
Total GHG emissions (location-based) (tCO ₂ e)	1,529,498	1,529,498	1,301,379	-14.9			
Total GHG emissions (market-based) (tCO ₂ e)	1,521,396	1,521,396	1,293,469	-15.0	1,720,944	152,140	2.2

Methodologies and assumptions

There were no significant changes in the definition of the reporting companies and their upstream and downstream value chain in the year under review. There are currently no other known reporting periods for the relevant companies in the value chain.

No further information is provided on biogenic emissions, as these are not relevant for Sto.

The changes in GHG emissions determined in 2025 compared to 2024 were mainly the result of updating the emission factors in 3.1 Purchased goods and services and 3.4 Upstream transport and distribution.

Scope 1

To calculate the Scope 1 GHG emissions, the company-wide fuel consumption data and the fugitive emissions of solvents and refrigerants were multiplied by the corresponding emission factors. The emission factors were taken from the following database: UK Government GHG Conversion Factors for Company Reporting (version 1.0, year 2025). This database was chosen because it is a recognised source in the context of assigning emission factors, it is geared towards greenhouse gas emission balances for companies and it is generally applied.

The previous year's value was adjusted, as gas consumption was included twice in some cases. As a result, the previous year's value was overestimated by 4,407 tonnes of CO₂e.

At Sto, Scope 1 GHG emissions from regulated emissions trading schemes are only caused by Ströher Produktions GmbH & Co. KG.

Scope 2

To calculate Scope 2 GHG emissions, the electricity, heating and cooling consumption recorded throughout the company was multiplied by the corresponding emission factors. The emission factors for the location-based emissions were mainly taken from the following databases: ecoinvent (version 3.12), EEA (European Environment Agency, year 2024), and BEIS (Department for Business, Energy and Industrial Strategy, year 2021). Apart from supplier-specific factors, the following databases were primarily used for market-based emissions: AIB (Association of Issuing Bodies, year 2024) and International Tracking Standard Foundation (year 2024). These databases were chosen as they are scientifically recognised sources for the preparation of life cycle assessments and greenhouse gas emission balances and are in general use.

Sto SE & Co. KGaA and, above all, subsidiaries in Germany, France, Austria, Scandinavia, Spain, and Belgium purchase certified green electricity. This is one of the main reasons for the large deviation between the location-based and market-based Scope 2 GHG gross emissions.

Scope 3

To calculate Scope 3 GHG emissions, the consumption-based primary data was multiplied by corresponding emission factors. The type of primary data differs depending on the Scope 3 category. Calculations are often made on the basis of costs, for example for purchased services, capital goods or upstream upstream transportation and distribution. Weight data is used in some places, for example for purchased goods, the waste generated in operations, the processing of sold products and the end-of-life treatment of sold products. Most of the data comes from direct measurements, for example from financial accounting and materials management, or from service providers, for example for disposal. For Scope 3 categories without specific primary data, estimates or assumptions were made. For example, the kilometre figures for business travelling were derived from the costs or a standard emission value per employee commuting was assumed, which was determined on the basis of Sto-specific determinations and differentiated according to the region of the location.

The emission factors were mainly used from the following databases: ecoinvent (essentially version 3.12), ÖKOBAUDAT (year 2023), US EPA (Environmental Protection Agency, version 1.3 year 2022), UK Government GHG Conversion Factors for Company Reporting (version 1.0, year 2025), and EPDs (Environmental Product

Declarations). They were selected as specifically as possible in order to take country-specific differences into account. Global and not country-specific values were used for cost-based emission factors.

The Environmental Product Declaration values (EPD values) regarding the processing of sold products and end-of-life treatment of sold products were calculated using sector average data.

No information on greenhouse gas emissions was used that was calculated by service providers in the value chain.

Significant Scope 3 categories for Sto are purchased goods and services, end-of-life treatment of sold products, and upstream transportation and distribution. The largest share is accounted for by purchased goods and services. On the one hand, these cause the highest greenhouse gas emissions and, on the other, are associated with high financial expenditure. This weighting is common for industrial manufacturing companies. Nevertheless, this category is associated with risks and opportunities for the Sto Group, which are explained in more detail in Chapter 3 (ESRS E5). GHG Protocol methods were used as the basis for the selection criteria.

Purchased goods and services

The purchased services were determined using corresponding cost-based emission factors. The acquired goods were analysed at product group level and various emission factors were assigned to the product groups. This collection was based on the weight of the purchased product groups. A share of 89.6 % of the total weight of all purchased product groups was analysed and assigned to these emission factors. The results were then extrapolated to 100 %. No special calculation tools were used to determine greenhouse gas emissions. GHG emissions from purchased cloud computing and data centre services under licences are also reported in this category.

Upstream transportation and distribution

Upstream transportation and distribution was determined for the most part on the basis of freight costs and to some extent on the basis of tonne-kilometres, and these were allocated to corresponding emission factors based on costs or tonne-kilometres. The share of transport not included in the freight costs, which was paid for by suppliers, for example, was estimated and taken into account by those responsible for logistics and materials management. No primary data from suppliers or other partners that was calculated in the value chain was used.

Business travelling

The kilometres travelled by employees on business trips were extrapolated on the basis of travel expenses. The

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values stated are calculation components. These were used in the calculation of Scope 3 emissions.

Investments

The investments category includes companies that are accounted for using the equity method and are not included in Sto’s Scope 1 and Scope 2 emissions, as well as companies whose corporate bonds are held by Sto as at the balance sheet date. For the determination of greenhouse gas emissions, turnover-based emission factors were assigned to the turnovers attributable to Sto. The turnovers attributable to Sto are calculated for associated companies using the shareholding and for corporate bonds using the ratio of the nominal value of the bond to the issuer’s equity and debt capital.

Using this method, the value in 2024 would be 42,364 tonnes of CO₂e. In the previous year, the emission factors were multiplied by the nominal values of the bonds.

End-of-life treatment of sold products

The greenhouse gas emissions for the end-of-life treatment of sold products were determined using data from Environmental Product Declarations (EPDs). The products sold were analysed in kilograms and assigned to the corresponding EPDs, in which a calculation of greenhouse gas emissions at the end of the product’s life is given per kilogram. These emissions are multiplied by the corresponding weight of the products sold. This value also includes biogenic emissions. Likewise in the 'processing of sold products' category.

The scope of Scope 3 GHG emissions calculated using primary data (EPDs) from suppliers or other partners in the value chain is 100 %.

Excluded Scope 3 categories

The 'Upstream leased assets' category was excluded, as no significant assets are leased by Sto that have not already been taken into account in Scope 1 or Scope 2.

The 'Use of sold products' category was also excluded, as Sto products do not cause any significant greenhouse gas emissions during their service life. Instead, the facade systems sold contribute to cutting greenhouse gas emissions for end consumers, as less heating or cooling is required due to the insulation of the house.

The 'Downstream leased assets' category was also excluded, as Sto does not rent out any significant assets that have not already been taken into account in Scope 1 or Scope 2.

Finally, the 'Franchises' category was also excluded, as Sto is not a franchisor.

The measurement of the key figures has not been validated by any external body. The key figures were collected in January 2026 for the 2025 financial year and subjected to a content-related audit with limited assurance by the auditor.

GHG intensity on the basis of net revenue

GHG intensity	2025	2024
Total GHG emissions (location-based) per net revenue (tCO ₂ e/EUR)	0.000818	0.000949
Total GHG emissions (market-based) per net revenue (tCO ₂ e/EUR)	0.000813	0.000944

The Sto Group’s net sales revenue in the 2025 financial year totalled EUR 1,591 million (previous year: EUR 1,612 million, see Consolidated annual financial statement of the Sto Group (IFRS), Notes, Note (1) Revenue). The total emissions were calculated by adding the Scope 1, Scope 2, and Scope 3 emissions.

The previous year’s values were reduced by 0.000002 due to adjustments in the greenhouse gas balance sheet.

The definition of Sto’s value chain did not change in the year under review.

The measurement of the key figures has not been validated by any external body. The key figures were collected in January 2026 for the 2025 financial year and subjected to a content-related audit with limited assurance by the auditor.

As there are no other companies in which investments are made and over which Sto has operational control, the Scope 1 and Scope 2 emissions are not broken down separately according to the financial companies consolidated and the companies in which investments are made.

Contractual instruments in relation to Scope 2 emissions

Scope 2	2025	2024
Share of contractual instruments used for the purchase of energy bundled with energy production attributes	55.6 %	53.6 %
Share of contractual instruments used for the purchase of energy that is not bundled with energy attributes	0.0 %	0.0 %

Methodologies and assumptions

To determine the shares of contractual instruments used for the purchase of energy bundled with energy production attributes, the corresponding contracts

with energy suppliers were analysed. 55.6 % (previous year: 53.6 %) of the energy purchased, which is used for both electricity and district heating, comes from contractual instruments that are bundled with energy production attributes.

The measurement of the key figures has not been validated by any external body. The key figures were collected in January 2026 for the 2025 financial year and subjected to a content-related audit with limited assurance by the auditor.

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

Use of carbon credits in the year under review

	2025	2024
Total quantity of carbon credits cancelled in the year under review (tCO ₂ e)	849	32,627
Share from removal projects (%)	100.0	2.6
Share from reduction projects (%)	0.0	97.4
Recognised quality standard 1 (%)	0.0	7.7
Recognised quality standard 2 (%)	100.0	92.3
Share from projects within the EU (%)	0.0	0.0
Share of carbon credits that qualify as corresponding adjustments under Article 6 of the Paris Agreement (%)	0.0	0.0

Methodologies and assumptions

The data on carbon credits was collected by directly querying of the Sto companies. Information on the quality standards is based on the details of the purchased certificates and on research on the websites of the providers and the responsible project organisers of the climate protection projects. The CO₂ certificates serve as a compensation measure for greenhouse gas emissions that cannot be reduced in any other way. The use of CO₂ certificates to achieve the net-zero target in the transition plan has not yet been finalised and is still under consideration. In this regard, Sto is evaluating what need there might be for international certificates to achieve the net-zero target, how consideration in the transition plan will be specifically organised in future, and what quality standards the EU Commission is developing that may go beyond the requirements of the Paris Agreement.

The Sto Group acquired a total of 849 tonnes of carbon credits (t CO₂e) in the year under review 2025 (previous year: 32,627 tonnes). Of these, 100 % came from removal projects and none from reduction projects (previous year: 2.6 % from removal projects, 97.4 % from reduction projects). The carbon credits from removal projects originate from biogenic sinks and are not related to the company's own activities or its upstream

and downstream value chain. With regard to the quality of the compensation projects, no projects meet quality standard 1 (e.g. Gold Standard) and 100 % meet quality standard 2 (e.g. ISO 14064-2) (previous year: 7.7 % quality standard 1, 92.3 % quality standard 2). All projects were realised outside the European Union and no carbon credits were acquired that qualify as an adjustment in accordance with Article 6 of the Paris Agreement.

Only climate protection projects that are accredited, approved and monitored in accordance with an internationally recognised certification standard were selected for the purchasing of climate protection certificates. Sto is a supporter of the 'Development and Climate Alliance Foundation', which pursues the achievement of global climate action targets and strives for a holistic transformation towards sustainability with the incorporation of countries in the global South. To this end, development cooperation and international climate protection are linked via the instrument of voluntary offsetting of greenhouse gases and additional funds are mobilised to finance important development and climate protection projects in developing and emerging countries. As a supporter of the Alliance, Sto helps to ensure that climate protection technologies – adapted to local needs and conditions in the partner countries – can be developed, promoted, and implemented by supporting offset projects.

Sto is not currently pursuing any concrete plans to cancel carbon credits by 2030. The reasons for this are the fact that carbon credits cannot be credited directly in the current GHG balance sheet, the varying levels of acceptance of carbon credits in society, along with the ongoing discussion about quality standards and the credibility and reliability of project partners. Their future use will continue to be monitored and assessed as part of the transition plan to achieve climate neutrality by 2050. In particular, the 10 % of greenhouse gas emissions expected to remain in 2050 could be neutralised by removing greenhouse gases from the value chain.

The measurement of the key figures has not been validated by any external body. The key figures were collected in January 2026 for the 2025 financial year and subjected to a content-related audit with limited assurance by the auditor.

Carbon credits planned to be cancelled

	Amount until 2030
Carbon credits to be cancelled in the future (tCO ₂ e)	-
Share of projects within the EU (%)	-
Share to be considered as corresponding adjustment in accordance with Article 6 of the Paris Agreement (%)	-

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Based on Section 289b (1) in conjunction with Section 315b of the German Commercial Code (HGB) and Article 8 of the Taxonomy Regulation, Sto is bound to apply the rules contained in the Taxonomy Regulation. Sto SE & Co. KGaA has prepared its consolidated annual financial statement of the Sto Group as at 31 December 2025 in accordance with the IFRS, as applicable in the European Union, and the interpretations issued by the IFRS Interpretation Committee (IFRIC). The figures below have been determined based on the IFRS consolidated annual financial statement of the Sto Group. All fully consolidated and proportionally consolidated Group companies are included. The following EU Taxonomy reporting was determined on the basis of the Commission Delegated Regulation (EU) 2025/4568 and in accordance with the International Financial Reporting Standards (IFRS) applicable to the consolidated annual financial statement of the Sto Group.

For the environmental goals of climate change mitigation and climate change adaptation, the EU delegated acts (Delegated Regulation (EU) 2021/2139 and its supplement Delegated Regulation (EU) 2023/2485 adopted by the EU Commission in June 2023) contain descriptions of relevant economic activities and technical assessment criteria. In 2023, a further EU delegated act (Delegated Regulation (EU) 2023/2486) was published, which contains relevant economic activities and technical assessment criteria for the remaining environmental goals. Delegated Regulation (EU) 2025/4568 introduced amendments including the revision of templates for key figures. Sto is applying this regulation for the first time in the year under review 2025.

An economic activity is Taxonomy-eligible if it is listed in the EU Taxonomy and can therefore potentially contribute to achieving at least one of the six environmental objectives stated in Article 9 of the Taxonomy Regulation:

- a) Climate change mitigation
- b) Climate change adaptation
- c) Sustainable use and protection of water and marine resources
- d) Transition to a circular economy
- e) Pollution prevention and control
- f) Protection and restoration of biodiversity and ecosystems

Only Taxonomy-eligible economic activities can be declared Taxonomy-aligned and, therefore, 'environmentally sustainable' when certain criteria are met.

2.4.1. Sto's economic activities

In the first step of the analysis, based on the descriptions of the economic activities in the Climate Delegated Act and in the Environmental Delegated Act of the Taxonomy Regulation, the extent to which Sto's economic activities are Taxonomy-eligible with regard to the six environmental objectives was analysed: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. As a manufacturer and marketer of functional systems for energy-efficient building equipment, Sto SE & Co. KGaA and a large number of its subsidiaries carry out Taxonomy-eligible activities from Annex 1 (environmental objective: Climate change mitigation) in their core business. Taxonomy-eligible activities mainly relate to the product segments of external thermal insulation systems and rainscreen cladding facade systems. As in the previous year, these activities can be allocated to the economic activity 3.5 'Manufacture of energy efficiency equipment for buildings' listed in Annex 1. Therefore, all related sales revenue, capital expenditure and operating expenditure were classified as Taxonomy-eligible. All other economic activities listed in Annex 1 (Climate change mitigation) and Annex 2 (Climate change adaptation) are not relevant to Sto's sales revenue. Sto is not involved in any economic activity related to energy generation from fossil gas or nuclear power. We therefore do not provide the specific reporting forms for these activities. When analysing Sto's activities with regard to the environmental objectives of the Environmental Delegated Act (sustainable use and protection of water and marine resources (Annex I), transition to a circular economy (Annex II), prevention and reduction of pollution (Annex III), and protection and restoration of biodiversity and ecosystems (Annex IV)), no activities were identified as Taxonomy-eligible.

List of Sto's economic activities relevant to the EU Taxonomy

	Economic activity	Description
CE 1.2	Manufacture of electrical and electronic equipment	Investments in IT equipment
CCM 3.3	Manufacture of low carbon technologies for transport	Acquisition of vehicles
CCM 3.5	Manufacture of energy efficiency equipment for buildings	Manufacture of facade insulation systems
CCM 7.1	Construction of new buildings	Investments in new buildings
CCM 7.2	Renovation of existing buildings	Renovation of existing buildings
CCM 7.3	Installation, maintenance and repair of energy efficiency equipment	Investments and costs, e.g. for heating and air conditioning systems

	Economic activity	Description
CCM 7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Investments in charging stations
CCM 7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Costs for e.g. measuring devices for recording energy consumption
CCM 7.6	Installation, maintenance and repair of renewable energy technologies	Investments in PV systems
CCM 7.7	Acquisition and ownership of buildings	Investments in buildings

2.4.2. Checking Taxonomy-alignment for economic activity 3.5

For a Taxonomy-eligible economic activity to be Taxonomy-aligned, it must fulfil three overarching criteria: it must substantially contribute to one of the environmental objectives, do no harm to any other environmental objective, and meet the minimum social safeguards.

2.4.2.1. Substantial contribution

In the first step of the analysis regarding Taxonomy-alignment, the Taxonomy-eligible activities must be assessed to determine the extent to which they meet the defined criteria for making a substantial contribution to one of the environmental objectives.

All external wall systems sold and placed on the market by Sto allow building owners to achieve a U-value that is considerably below the defined limit value of 0.5 W/m²K. Internal wall systems are another Sto product segment in addition to external wall systems. However, although external wall systems are named explicitly in the legal text of Annex 1 of the Delegated Act, the same does not apply to internal wall systems. This product segment has therefore been assigned to thermal insulation systems.

All thermal insulation systems manufactured and placed on the market by Sto are significantly below the defined limit value of 0.06 W/mK. This means the relevant criteria for making a substantial contribution to climate protection have been fulfilled in the context of economic activity 3.5. With its core products, Sto is making an important contribution to climate protection.

2.4.2.2. Do no significant harm (DNSH)

The second step in the alignment check relates to DNSH criteria. It must be ensured that the company's Taxonomy-eligible economic activities do no significant harm to any of the other environmental objectives. To fulfil the DNSH criterion in accordance with Appendix A of

Annex I, a climate risk analysis was carried out for all Sto locations relevant to economic activity 3.5. For this purpose, the climate scenarios RCP2.6 (temperature rise does not exceed the 2 °C limit by the end of the century) and RCP8.5 (temperature rise is approx. 4.8 °C by the end of the century) were analysed, taking into account time horizons up to 2050. 86 % of the locations analysed are currently exposed to a medium or high physical climate risk. With a representative concentration path RCP8.5, the number of locations exposed to a high or medium physical climate risk will increase to 95 % by 2050. Extreme heat is the most frequent climatic hazard for the locations in the analysed portfolio, followed by heavy precipitation and flooding as well as river flooding. Most of the locations affected are in Europe. In this context, appropriate adaptation solutions were identified, which will be further expanded in the coming years.

To fulfil the DNSH criterion in accordance with Appendix B of Annex I, Sto has carried out a site-specific analysis of the impacts on water and water scarcity. The company operates in accordance with the relevant management plans at all locations relevant to economic activity 3.5. Based on these findings, measures are derived as required at all locations relevant to economic activity 3.5. to ensure that significant adverse effects are avoided.

Sto has recognised that an environmental impact assessment is required for all Sto locations relevant to economic activity 3.5. in order to meet the DNSH criterion in accordance with Appendix D of Annex I and is conducting corresponding assessments at the locations.

In addition, the requirement was initially analysed upstream of the construction processes for the locations. For the locations that were subjected to a climate risk analysis, Sto also checked whether they were located in or near biodiversity-sensitive areas. An impact assessment was carried out for the sites in or near biodiversity-sensitive areas. On this basis, future measures, such as the near-natural design of company premises, are derived to ensure that significant adverse effects are avoided.

As in the previous year, the analyses of the DNSH criterion in accordance with Appendix C of Annex I with regard to the use and presence of chemicals showed that almost all of Sto's turnover identified as Taxonomy-eligible already fulfils these requirements. Substances that must be avoided according to the Taxonomy Regulation are only used to a very limited extent.

With regard to the DNSH criterion for the transition to a circular economy, Sto has ensured that its own activities include an assessment of availability and, where

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possible, an application of processes that support the following points:

- a) Reuse and utilisation of secondary raw materials, waste products and reused components in the manufactured products;
- b) Design for high durability, recyclability, easy disassembly and adaptability of the manufactured products;
- c) Waste management that prioritises recycling over disposal in the manufacturing process;
- d) Information on substances of concern and traceability of these substances throughout the life cycle of manufactured products.

In addition to fulfilling the relevant criteria, Sto makes an important contribution to the circular economy by providing systems for the return and recycling of product residues and packaging that accumulate during processing by customers.

2.4.2.3. Minimum safeguards

The third overarching criterion for Taxonomy-alignment is to ensure that minimum safeguards are met. Sto aims to meet these requirements at Group level. In relation to complying with 'minimum safeguards', Article 18 of the Taxonomy Regulation specifies the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO Core Labour Standards, and the International Bill of Human Rights as relevant frameworks. In terms of giving concrete shape to the requirements, Sto is guided by the recommendations of the Platform on Sustainable Finance. As a responsible international listed family-run company, Sto respects and supports human rights, including labour and consumer rights. Sto expressly shares the objectives of combating corruption and bribery, as well as promoting fair competition and a fair tax system. This is reflected in its corporate activities. The values for responsible business anchored in the 'Sto Code of Conduct', the 'Supplier Code of Conduct' and the 'Policy statement on Human Rights' relate in particular to the protection of the environment, human rights, labour standards, transparency and the fight against corruption. We put corresponding processes and training into practice throughout the Group through our compliance, purchasing and sustainability departments. A comprehensive description of our activities in this area can be found in Chapter 7 (ESRS G1). Overall, it should be noted that our systems and processes help to ensure compliance with the framework set out in Art. 18 of the Taxonomy Regulation. They are regularly reviewed for appropriateness and effectiveness and are continuously developed further.

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2.4.3. Key figures

Companies have to report the proportion of Taxonomy-eligible and Taxonomy-aligned sales revenues, capital expenditure, and operating expenditure (numerator) in the respective total value (denominator).

2025 financial year															
KPI	In total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Breakdown by environmental objectives of Taxonomy-aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial year 2024	Proportion of Taxonomy-aligned activities in previous financial year 2024
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	in EUR K	in %	in EUR K	in %	in %	in %	in %	in %	in %	in %	in %	in %	in %	in EUR K	in %
Turnover	1,591,112	50.0 %	796,017	50.0 %	50.0 %	0 %	0 %	0 %	0 %	0 %	50.0 %	0 %	0 %	746,012	46.3 %
CapEx	82,380	67.1 %	1,078	1.3 %	1.3 %	0 %	0 %	0 %	0 %	0 %	1.3 %	0 %	0 %	2,277	3.1 %
OpEx	48,148	28.6 %	12,780	26.5 %	26.5 %	0 %	0 %	0 %	0 %	0 %	26.5 %	0 %	0 %	11,362	24.3 %

2.4.3.1. Key figure: Sales revenue

The turnover key figure is calculated from the ratio of the sales revenues from Taxonomy-eligible and Taxonomy-aligned economic activities (numerator) to the total sales revenues for the financial year (denominator). The denominator corresponds to the sales revenues given in the IFRS consolidated annual financial statement of the Sto Group and therefore relates to the net turnover connected to goods or services including intangible assets according to IAS 1.82(a). The total sales revenues for the 2025 financial year were EUR 1,591 million (see Annex, Note (1) Revenue). All turnover related to Taxonomy-eligible and Taxonomy-aligned economic activities is relevant for the numerator. To determine the numerator in relation to Taxonomy-eligibility, an analysis has been conducted to establish which of Sto's turnovers declared in the statement of profit or loss are related to Taxonomy-eligible economic activities. A detailed analysis performed at product-family level enabled the turnover items to be uniquely attributed to economic activity 3.5. 'Manufacture of energy efficiency equipment for buildings' or not be attributed. As has already been described, the turnover related to economic activity 3.5. includes the turnover associated with external wall systems. This can be further broken down into turnover associated with external thermal insulation systems, rainscreen cladding facade systems, and facade claddings, which are installed on external wall systems. Added to that is the pro-rated turnover connected with finishing renders,

which are sometimes applied to external wall systems. Turnover connected with internal wall systems must be included as well, once again supplemented by pro-rated turnover connected with finishing renders, which, taken as a complete system, contribute to a building's energy efficiency in the same way as an external wall system. In addition, the 'insulation board fixings' and 'adhesives/base coats' product families from the industrial coatings product segment can be declared Taxonomy-eligible, since they are used in external wall systems for industrial application. As outlined above, the processes to fulfil the conformity criteria have been carried out, which is why Sto can report Taxonomy-aligned turnover in the amount of EUR 796 million for the 2025 financial year. This means that the Taxonomy-aligned share of turnover amounts to 50.0 %. As a result, the proportion of Taxonomy-eligible sales revenue fell slightly in comparison to the previous year (46.3 %).

The amounts included in the numerator only relate to economic activity 3.5. 'Manufacture of energy efficiency equipment for buildings' and result primarily from earnings from contracts with customers. Sto does not report any amounts for Taxonomy-aligned activities for its own use under economic activity 3.5. The economic activities associated with Sto's sales revenue are unchanged compared to last year. The increase in the turnover key figure is mainly the result of a more detailed analysis of the product segments.

Key figures in accordance with the EU Taxonomy – Turnover

Reported KPI turnover													
2025 financial year													
Economic activities	Code	Taxonomy-eligible KPI (proportion of Taxonomy-eligible turnover)	Taxonomy-aligned KPI (monetary value of turnover)	Taxonomy-aligned KPI (proportion of Taxonomy-aligned turnover)	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		in %	in EUR K	in %	in %	in %	in %	in %	in %	in %	E	T	in %
Manufacture of energy efficiency equipment for buildings	CCM 3.5	50.0 %	796,017	50.0 %	50.0 %	0 %	0 %	0 %	0 %	0 %	E	-	100 %
Sum of alignment per objective					50.0 %	0 %	0 %	0 %	0 %	0 %			
Total KPI turnover		50.0 %	796,017	50.0 %	50.0 %	0 %	0 %	0 %	0 %	0 %	50.0 %	-	100 %

2.4.3.2. Key figure: Capital Expenditure (CapEx)

For the CapEx key figure, the denominator covers capital expenditure in the context of additions to Property, plant, and equipment, and Intangible assets, as well as Rights of use according to IFRS 16 before depreciation/amortisation and any revaluations for the financial year under review and without amendments to the fair value. These amounted to EUR 82.4 million in the 2025 financial year (see Annex, Note (13) Intangible assets, (14) Property, plant, and equipment, (15) Right-of-use assets). The CapEx key figure must be calculated in relation to both Taxonomy-eligible and Taxonomy-aligned economic activities. According to point 1.1.2.2 of Annex I to the Delegated Regulation (EU) 2021/2178, the numerator equals to the part of the capital expenditure that is any of the following:

- related to assets or processes that are associated with Taxonomy-aligned (or Taxonomy-eligible) economic activities, or
- part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ('CapEx plan'), or
- related to the purchase of products from taxonomy-aligned economic activities and individual actions that make the target activities low-carbon or reduce greenhouse gas emissions, in particular from activities listed in points 7.3 to 7.6 of Appendix I to the Delegated Regulation on the EU Climate Taxonomy, as well as from other economic activities specified in the

delegated acts adopted in accordance with Articles 10(3), 11(3), 12(2), 13(2), 14(2), and 15(2) of Regulation (EU) 2020/852, provided that those measures are implemented and operational within 18 months.

All the additions were analysed, primarily based on the relevant project descriptions, to determine how far they can be assigned to one of these three categories. The capital expenditure that can be assigned completely to economic activity 3.5. (EUR 1.0 million) is relevant in category a). No relevant capital expenditure was identified in category b), since no CapEx plan was formulated in 2025 in the context of the Taxonomy. In view of the fact that no CapEx plan has been drawn up, no material information is provided. Sto has not identified any economic activities for its capital expenditure that contribute to several environmental goals. The following explanations show that Sto was able to clearly allocate its capital expenditure to economic activities in accordance with the process described, each of which can be clearly assigned to an environmental goal.

The Taxonomy-eligible CapEx in category c) is supplemented by the acquisition of Taxonomy-eligible services and products (EUR 54.3 million). These acquired items can be allocated to the economic activities 'Manufacture of low carbon technologies for transport' (economic activity 3.3), 'Construction of new buildings' (economic activity 7.1), 'Renovation of existing buildings' (economic activity 7.2), 'Installation, maintenance

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and repair of energy efficiency equipment' (economic activity 7.3), 'Installation, maintenance and repair of electric vehicle charging stations' (economic activity 7.4), 'Installation, maintenance and repair of renewable energy equipment' (economic activity 7.6) and 'Acquisition and ownership of buildings' (economic activity 7.7) from the environmental goal 'Climate change mitigation' and the economic activity 'Manufacture of electrical and electronic equipment' (economic activity 1.2) from the environmental goal 'Transition to a circular economy'. In economic activity 3.3, the focus is on the manufacturing activity of the vehicles that are acquired and not on the leases themselves. Activities 7.4 and 7.6 could also be reported as Taxonomy-aligned, as these have no technical evaluation criteria and to check the DNSH criteria, only the criteria of Annex I Appendix A in the area of 'Climate change adaptation' need to be met. These have already been ensured as part of the assessment of activity 3.5, so that activities 3.5, 7.4 and 7.6 are Taxonomy-aligned. These achieve their Taxonomy-alignment only through their properties, installation, maintenance or repair and fulfilment of the criteria from Annex I, Appendix A (see previous explanations in Chapter 2.4.2.2. 'Do No Significant Harm (DNSH)') of all locations relevant to these positions. It was ensured via a clear allocation system that the investments related to these economic activities were not also recorded in the determination of the investments related to the Taxonomy-eligible sales revenues. Taxonomy-eligible CapEx (EUR 55.2 million) is primarily made up of capitalised rights of use from assets according to IFRS 16 (EUR 38.0 million) as well as Intangible assets and Property, plant, and equipment (EUR 17.2 million). The total amount of Taxonomy-eligible but Taxonomy non-aligned capital expenditure totalled EUR 54.2 million, resulting in a Taxonomy-eligible but Taxonomy non-aligned CapEx proportion of 65.8 %. The proportion of Taxonomy-eligible but Taxonomy non-aligned capital expenditure has therefore fallen slightly in comparison to the previous year (54.0 %). A quantitative breakdown at aggregated economic activity level for the amounts included in the numerator can be found in the reporting table for the CapEx key figure. The economic activities associated with Sto's capital expenditure are unchanged in comparison to the previous year. The increase in the CapEx key figure is mainly due to the increased share of capital expenditure in connection with economic activity 7.7. 'Acquisition and ownership of buildings' in 2025.

For the 2025 financial year, the capital expenditure associated with economic activities 3.5, 7.4, and 7.6 could be recognised as Taxonomy-aligned CapEx. The total amount of Taxonomy-aligned capital expenditure totalled EUR 1.1 million, resulting in a Taxonomy-aligned CapEx proportion of 1.3 %. As a result, the proportion of Taxonomy-aligned capital expenditure has also fallen slightly in comparison to the previous year (3.1 %).

Key figures in accordance with the EU Taxonomy – CapEx

Reported KPI CapEx													
2025 financial year													
Economic activities	Code	Taxonomy-eligible KPI (proportion of Taxonomy-eligible CapEx)	Taxonomy-aligned KPI (monetary value of CapEx)	Taxonomy-aligned KPI (proportion of Taxonomy-aligned CapEx)	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		in %	in EUR K	in %	in %	in %	in %	in %	in %	in %	E	T	in %
Manufacture of electrical and electronic equipment	CE 1.2	6.1 %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Manufacture of low carbon technologies for transport (and in car parks belonging to buildings)	CCM 3.3	10.2 %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Manufacture of energy efficiency equipment for buildings	CCM 3.5	1.2 %	980	1.2 %	1.2 %	0 %	0 %	0 %	0 %	0 %	E	-	100 %
Construction of new buildings	CCM 7.1	2.4 %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Renovation of existing buildings	CCM 7.2	1.2 %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.1 %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.1 %	98	0.1 %	0.1 %	0 %	0 %	0 %	0 %	0 %	E	-	100 %
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.0 %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %	E	-	0 %
Acquisition of ownership of buildings	CCM 7.7	45.8 %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Sum of alignment per objective					1.3 %	0 %	0 %	0 %	0 %	0 %			
Total KPI CapEx		67.1 %	1,078	1.3 %	1.3 %	0 %	0 %	0 %	0 %	0 %	1.3 %	0 %	2.0 %

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2.4.3.3. Key figure: Operating Expenditure (OpEX)

For the OpEx key figure, the denominator covers direct, non-capitalised costs related to research and development, building refurbishment measures, maintenance and repairs, and short-term leases according to IFRS 16. The total of this operating expenditure was EUR 48.1 million in the 2025 financial year. The OpEx key figure must be calculated in relation to both Taxonomy-eligible and Taxonomy-aligned economic activities. According to point 1.1.3.2 of Annex I to the Delegated Regulation (EU) 2021/2178, the numerator equals to the part of the operating expenditure that is any of the following:

- a) related to assets or processes associated with Taxonomy-aligned (or Taxonomy-eligible) economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development, or
- b) part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe, or
- c) related to the acquisition of products from Taxonomy-aligned economic activities and to individual actions that make the target activities low-carbon or reduce greenhouse gas emissions, as well as to individual building renovation actions, as set out in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2), and 15(2) of Regulation (EU) 2020/852, and provided that those actions are implemented and operational within 18 months.

To determine the numerator, the expenditure recorded in the relevant accounts was examined in terms of its Taxonomy-eligibility. The operating expenditure that can be assigned completely to economic activity 3.5. is relevant in category a). This totalled EUR 12.8 million. No relevant operating expenditure was identified in category b), since no CapEx plan was formulated in 2025 in the context of the Taxonomy. In view of the fact that no CapEx plan has been drawn up, no material information is provided. Purchases of Taxonomy-eligible products and services can be allocated to category c) with regard to the economic activities 'Renovation of existing buildings' (economic activity 7.2.), 'Installation, maintenance, and repair of energy efficiency equipment' (economic activity 7.3.) and 'Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings' (economic activity 7.5.) (EUR 1.0 million). It was ensured via a clear allocation system that these operating expenses were not also recorded in the determination of the operating expenditure related to the Taxonomy-eligible sales revenues. The following explanations show that Sto was able to clearly allocate its Operating Expenditure to economic activities in

accordance with the process described, each of which can be clearly assigned to an environmental goal.

The total amount of Taxonomy-eligible but Taxonomy non-aligned Operating Expenditure totalled EUR 1.0 million in 2025, resulting in a Taxonomy-eligible but Taxonomy non-aligned OpEX proportion of 2.0 %. The proportion of Taxonomy-eligible Operating Expenditure has therefore fallen slightly in comparison to the previous year (3.5 %). A quantitative breakdown at aggregated economic activity level for the amounts included in the numerator can be found in the reporting table for the OpEX key figure. The economic activities associated with Sto's Operating Expenditure are unchanged compared to last year. The reduction in the OpEX key figure is mainly due to the proportionately lower operating expenditure in connection with economic activity 7.2 'Renovation of existing buildings'.

For the 2025 financial year, the operating expenditure associated with economic activity 3.5 can be reported as Taxonomy-aligned OpEX. The total amount of Taxonomy-aligned operating expenses was EUR 12.8 million, resulting in a Taxonomy-aligned OpEx proportion of 26.5 %.

Key figures in accordance with the EU Taxonomy – OpEx

Reported KPI OpEX													
2025 financial year													
Economic activities	Code	Taxonomy-eligible KPI (proportion of taxonomy-eligible OpEx)	Taxonomy-aligned KPI (monetary value of OpEx)	Taxonomy-aligned KPI (proportion of taxonomy-aligned OpEx)	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		in %	in EUR K	in %	in %	in %	in %	in %	in %	in %	E	T	in %
Manufacture of energy efficiency equipment for buildings	CCM 3.5	26.5 %	12,780	26.5 %	26.5 %	0 %	0 %	0 %	0 %	0 %	E	-	100 %
Renovation of existing buildings	CCM 7.2	1.2 %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.8 %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.04 %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %			0 %
Sum of alignment per objective					26.5 %	0 %	0 %	0 %	0 %	0 %			
Total KPI OpEX		28.6 %	12,780	26.5 %	26.5 %	0 %	0 %	0 %	0 %	0 %	26.5 %	0 %	92.7 %

ESRS E5 Resource use and circular economy

3.1. Management of impacts, opportunities, and risks

IRO-1 Material impacts, risks and opportunities and their interaction with strategy and business model

In order to assess the material impacts, risks and opportunities and their interaction with the strategy and business model in the area of 'Resource use and circular economy', Sto has analysed their interactions with sustainability matters.

The area of 'Resource use and circular economy' comprises the three sub-topics 'Resources inflows, including resource use', 'Resource outflows related to products and services' and 'Waste'.

A detailed explanation of the approach and methodology can be found in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other report disclosures that require reference to the material impacts, risks and opportunities are presented at the level of sustainability matters.

Resources inflows, including resource use

For the sustainability matter 'Resources inflows, including resource use', the actual negative impact

- 'Resource consumption in the upstream value chain (important input resources include quartz and sand, for example) as well as in own production (primarily mineral raw materials, marble, quartz sand, cement, and chemical products)'

was identified. Many of the materials that Sto sources have a high resource consumption in their upstream value chain. Examples of this are quartz and sand. In our own production, the main input factors for value creation are mineral raw materials, marble, quartz sand, cement, and chemical products.

The following was identified as a material risk:

- 'Financial risks due to rising resource prices of resources (e.g. sand and cement; possibly also chemical products) as well as due to limited availability of certain input factors (e.g. titanium dioxide, preservatives)'

. Raw materials such as sand and cement in particular have experienced a sharp rise in prices in recent years.

The limited availability of certain input factors affects titanium dioxide and preservatives in particular.

The construction sector has a crucial role to play when it comes to resource conservation. It operates very resource-intensively and still predominantly according to this linear principle. To emphasise the importance of the issue and Sto's commitment to it, the circular economy is a central component of the sustainability strategy. The impact and risk listed result from Sto's business model and the nature of a manufacturing business in the construction sector as well as the upstream supply chain.

In order to address the negative impact and risk, and continue to ensure sustainable corporate success, Sto implemented various actions in the year under review. A detailed description of the actions can be found in Chapter E5-2 'Actions and resources related to resource use and circular economy'.

Sto has implemented various policies, actions and targets to address the management of impacts, risks, and opportunities.

Resource outflows related to products and services

No material impacts, opportunities, or risks were identified for this sustainability matter.

Waste

No material impacts, opportunities, or risks were identified for this sustainability matter.

E5-1 Policies related to resource use and circular economy

Policies related to Resources inflows, including resource use:

The 'Supplier Code of Conduct' is a policy that addresses the impacts, risks, and opportunities of the sustainability matter 'Resources inflows, including resource use'. This concerns the upstream value chain and must be bindingly recognised by the Sto Group's suppliers. By agreeing to the Supplier Code of Conduct, suppliers undertake to minimise these environmental effects, comply with defined environmental standards, avoid emissions and waste, and continuously increase resource efficiency.

The 'Supplier Code of Conduct' is intended to promote positive impacts and avoid negative impacts. The Minimum Disclosure Requirement of ESRS 2 for the 'Supplier

Code of Conduct' is presented in Chapter 7 (ESRS G1). The policy is indirectly geared towards transitioning away from use of virgin resources, including relative increases in use of secondary (recycled) resources, with Sto using this policy to address the expectation of continuous improvement in resource efficiency to its business partners. In addition, Sto expects suppliers to continuously promote the safe and environmentally compatible development and manufacturing of their products and their packaging.

The 'Circular economy' field of action of the sustainability strategy is a policy that indirectly addresses transitioning away from use of virgin resources, including relative increases in use of secondary (recycled) resources. Sto is taking various actions to ensure that this aspect is a central element of the sustainability strategy and that the target formulated therein, 'Increased use of recycled materials', is met. In order to substitute the consumption of mineral primary raw materials such as fillers and sands in the medium term, secondary raw materials are actively sought and tested for their suitability for Sto products. Initial results show that the use of fillers classified as recycled materials and grains obtained from processed concrete waste is technically possible to a certain extent in some product segments. The use of post-consumer waste in EPS insulants, dispersions, and organic base coats is also being tested.

With regard to the replacement of cement, several projects are currently underway that aim to reduce the proportion of clinker in the products or even to replace cement completely, which will lead to a reduction in the carbon dioxide equivalents of the products. One successful example of this is the StoLevell Neo AimS® reinforcing mortar – a product that won from the German Sustainability Award Products in the climate category in 2025. Overall, the regional availability of secondary raw materials and/or recycled materials remains problematic at the current time. The sometimes limited availability may mean that these can only be used temporarily in individual products.

At present, no independent policy aimed at sustainable procurement or the use of renewable resources is applied. These aspects are to be addressed in future via a separate 'Responsible procurement' policy in purchasing, which is currently being developed. The use of renewable raw materials is currently being examined in Research and Development (R&D), particularly with regard to alternative organic binders (plant-based instead of fossil-based) and in the development of insulation materials, and is already being implemented in production in some cases. The sustainability strategy aims to increase the use of renewable raw materials in products in line with ecological and economic requirements.

E5-2 Actions and resources related to resource use and circular economy

Actions related to resources inflows, including resource use:

The following actions have been taken by Sto both to deal with the impacts and risks in the 'Resources inflows, including resource use' sustainability matter and to achieve the targets defined in the sustainability strategy in the field of action of circular economy: 'Avoid waste', 'Promote long useful lives', 'Recycle products and packaging', and 'Use recycled materials/secondary raw materials'.

Use of recycled materials

The use of recycled materials is an important building block for a successful circular economy and the reduction of virgin resources. Sto is involved in development projects with suppliers aimed at reducing the use of non-renewable resources and secondary raw materials, and during the year under review, implemented various actions to increase the share of recycled materials in its products. Polystyrene (EPS) insulation materials are already comprised of up to 20.0% production and construction waste. Expanded glass lightweight construction boards from Verotec GmbH consist of more than 80.0 % recycled glass. In addition, preference is given to raw materials and building elements for which existing circuits are already available. These include, for example, stainless steel and aluminium in the sub-constructions of rainscreen cladding facades. The action relate to all rainscreen cladding facades, primarily affect the geographical areas of Germany and Europe and cover the company's own operational activities as well as the upstream supply chain. It is planned to maintain and expand these on a permanent basis. Initial progress has been made with the introduction of products and packaging with recycled content. Overall, the regional availability of secondary raw materials and/or recycled materials is currently problematic. The sometimes limited availability may mean that these can only be used temporarily in individual products. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

Resource efficiency and recycling of unused products

Sto is taking various actions to reduce resource consumption in its own production. They include reusing waste from insulant production, tints and process dust in production, as well as the incorporation of reclaimed or expired goods into the manufacturing of new goods. At the Austrian site Villach, unused paints, renders, plasters, and adhesives from inside and outside of Austria are returned to production and processed into our own product with a corresponding recycled content, a synthetic resin adhesive. The proportion

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of secondary raw materials in the recycled product is 77.0 %. These processes also prove to be advantageous from an ecological and economic perspective: calculations have shown that reuse in Villach is more profitable than disposal at the waste's point of origin, even with longer transport routes. The scope of the action relates to logistics and production processes, it covers the geographical areas of Austria, Slovenia, and Croatia and includes the company's own operating activities as well as the upstream supply chain. The actions are reviewed annually for continuation, in particular with regard to their cost-effectiveness. No particular progress was made in this action in the year under review. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

Working group to optimise recycling

To optimise recycling and reduce the use of resources in containers and packaging, Sto set up a working group in 2019 to systematically examine various approaches based on the principle of 'reduce – reuse – recycle'. In essence, the working group examines the necessity and required properties of packaging material in terms of sustainability and in particular the circular economy, for example taking into account transport safety, storage, and application on the construction site. The scope of the action relates to human resources, expenses for materials and logistics and the implementation of pilot projects. It primarily affects Germany and Europe and covers the company's own operations as well as the upstream and downstream supply chain. It is planned to maintain the action on a permanent basis. In the case of the reported action, progress was made in the 2025 financial year with regard to the use of recycled materials in containers and the recyclability, return, recycling, and CO₂ savings of packaging. Sto expects results in the form of an increase in the quantity of packaging being recycled and an increase in the quantity and quality of the secondary raw materials used as a result of the future continuation of the action. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

Conservation of resources in connection with intermediate bulk containers

In order to reduce the consumption of primary resources, Sto supports the reprocessing of intermediate bulk containers (IBCs) in the area of transport containers, for example. 3,276 (previous year: 495) IBCs were reprocessed in Germany in 2025. The associated reduction in the use of steel and plastic is equivalent to 279 (previous year: 53) tonnes of CO₂ emissions. The action focuses on supply partnerships in Germany. It is planned to maintain the action on a permanent basis. No particular progress was made in this action in the year under review. Sufficient financial and human resources have

been made available for this action. Sto did not incur any significant operating expenses for these actions.

Search for recycling options for Sto products

As part of its sustainability strategy, Sto aims to return products to existing or new recycling loops at the end of their life cycle wherever possible, in order to avoid the loss of valuable raw materials. The action addresses the 'Circular economy' field of action with the 'Recycle products and packaging' objective, and seeks to establish practicable solutions for the recycling of Sto products. A key aspect is to identify local recycling opportunities and work with suitable partners to enable the recycling of materials such as insulants, render/plaster systems, and facade components. The geographical focus is on Europe, with the action covering both the company's own operational activities and the upstream and downstream supply chain. The plan is to maintain the action on a permanent basis and gradually expand it. Progress made and expected in relation to this action can only be presented in future reports. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

The actions listed contribute to the company's target of 'optimising the circularity of its packaging, material residues, construction site waste and materials in deconstruction'.

3.2. Key figures and targets

E5-3 Targets related to resource use and circular economy

Targets related to resources inflows, including resource use:

In order to deal with the effects of impacts, risks, and opportunities in the 'Resources inflows, including resource use' sustainability matter, as part of the revision of the sustainability strategy in 2025, Sto has set itself the goal of optimising the recycling of packaging, material residues, and construction site waste by 2030, taking into account market conditions and normative requirements, and increasing the use of recycled materials. These two targets are directly related to Sto's strategic targets in the circular economy field of action, which were revised in 2025, and are in line with corporate targets. The scope covers the company's own business activities. Although in principle the reference year for measuring progress is 2025, there are no defined targets at company level, as both targets are dependent on statutory requirements and definitions of circularity, as well as the use of secondary raw materials, which are all still being defined and established at European level. Due to the lack of an internationally valid and uniform definition of a building product as 'demonstrably recyclable' and the

difficulty of determining a figure to measure progress at company level, the target was adjusted and the quantitative target of '20 per cent' from the previous sustainability strategy has been removed. In essence, Sto follows the specifications of the Circular Economy Act (Kreislaufwirtschaftsgesetz, KrWG) in Germany, as well as the Circular Economy Action Plan (CEAP), and the EU's Packaging and Packaging Waste Regulation (PPWR). The focus here is on the areas of 'avoidance', 'reuse' and 'recycling'. A construction product is considered 'circular' if it can be sent for reuse or recycling in accordance with the KrWG. These basic methods are also used for internal circular economy objectives. The extent to which the KrWG is based on conclusive scientific findings cannot be clearly inferred from the act. Against this background, no reliable statement can be made as to the extent to which the targets are based on conclusive scientific findings. The KrWG does not specify any ecological threshold values, which Sto has taken into account when setting the target. The PPWR targets are used for packaging. Furthermore, there is no company-specific breakdown of the target. Although the involvement of stakeholders is not included in the implementation of the KrWG, the perspectives of other stakeholders, such as the DGNB e.V. (German Sustainable Building Council) or the Deutsche Umwelthilfe e.V. (German Environmental Aid Association), as well as requirements from Northern and Western Europe, are also taken into account in the targets and actions. The perspectives of the two associations mentioned are taken into account through oral and written exchanges in workshops, working groups or forums. The achievement of both targets is regularly monitored and reviewed by the Sustainability department together with the Procurement and R&D departments, and representatives from the various market regions. Quantitative targets are not available at Group level due to the regulatory, regional, and economic interdependencies affecting feasibility and the resulting difficulties encountered with central enforcement and measurability. Sto does not plan to introduce any additional quantitative targets at Group level in the near future. Specific targets can be added or already exist at the level of individual products, countries, and subsidiaries. The effectiveness of the actions is tracked via the monitoring and review processes for implementing the sustainability strategy. The progress is in line with the planning from 2025. This is a voluntary target for Sto.

The target relates to waste management, as circular products differ from other products that are not circular in terms of the amount of waste they generate. Sto has not implemented specific targets for increasing the circular material use rate, minimising virgin resources, and the sustainable procurement and use of renewable resources. However, the aspects mentioned here are a central element in increasing cycle-oriented product design. Other sustainability matters relating to resource

use and circular economy were not addressed by separate targets.

E5-4 Resource inflows

		2025	2024
Total weight of materials used (tonnes)	technical materials	882,332.58	858,075.29
	biological materials	32,840.38	31,741.43
Share of organic materials that are procured sustainably (%)		1.07	0.82
Weight of reused or recycled materials (tonnes)		8,257.37	8,392.00
Share of reused or recycled materials (%)		0.90	0.94

The most important basic materials sourced by the Sto Group are base materials such as sand, cement, and lime, speciality chemicals and raw materials based on crude oil. Binders and pigments are among the most important input materials in terms of value. The other primary products include insulation materials, mesh and packaging. The main types of packaging material are plastic pails and sheeting.

It is not possible to determine exactly what share of the total resource consumption in the value chain is attributable to the activities of the reporting company. In general, it can be assumed that Sto does not account for a significant share of the world market in terms of the total quantity produced or consumed for any of the raw materials and packaging materials listed.

Sto procures critical raw materials (in accordance with the definition in the Critical Raw Materials Act / EU Regulation 2024/1252 EN) to a small extent (less than 1 % of the total weight). These are the raw materials feldspar, bauxite and barite.

Methodologies and assumptions

Most of the data on resource inflows comes from direct measurements. The majority is taken from the SAP system and covers the entire year under review. Companies that are not recorded in SAP have to be queried and integrated manually, which involves extensive processes. Projections were therefore made for 2025. For this purpose, the share of materials recorded in SAP in 2024 was also assumed for 2025 and extrapolated accordingly to the total weight. Only materials that are used in production or that are resold were incorporated; others, such as office equipment, were not taken into account.

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To identify the biological material, the materials were analysed at product group level. Only product groups that are clearly identifiable as biological, such as Euro pallets, were assigned to biological material. Product groups that may have a small biological share were not assigned. All non-biological materials were allocated to technical materials.

The share of biological materials that are procured sustainably only includes biological materials that are certified in accordance with the PEFC and FSC certification systems.

To calculate the share, the weight of the biological materials that were sustainably procured was divided by the total weight of the materials used.

Sto applies the cascade principle in connection with biological materials as follows: high-quality use for as long as possible before reuse before recycling before energy recovery. Sto can only influence the actual implementation to a limited extent, as sold products become the property of the buyer, who is responsible for their disposal.

To determine the weight of reused or recycled materials, the product groups containing secondary materials were analysed. In order to be able to determine the quantities of recycled materials, average values customary in the market were used, which were primarily collected on the basis of Environmental Product Declarations (EPDs). The EPDs specify a share of recycled materials. This respective reference share was multiplied by the weight of the respective product groups. Only our own production residues were considered for the survey of reused materials, thus avoiding double counting and overlaps.

To calculate the share, the weight of reused or recycled materials is divided by the total weight of the materials used. The proportion of recycled materials was determined with the help of supplier and product information from the Sustainability, Procurement, and R&D departments.

All key figures reported in Chapter E5-4 'Resource inflows' were collected in January 2026 for the 2025 financial year and subjected to a content-related audit with limited assurance by the auditor. Validation by an external third party is not available.

ESRS S1 Own workforce

4.1. Strategy

SBM-2 Interests and views of stakeholders

These disclosures are reported in Chapter 1 (ESRS 2).

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

In order to assess the material impacts, risks and opportunities and their interaction with strategy and business model in the area 'Own workforce', Sto analysed its interaction with the material sustainability matters. Employees are also at the centre of one of the six fields of action in the sustainability strategy.

The area 'Own workforce' comprises the three sub-topics 'Working conditions', 'Equal treatment and equal opportunities' and 'Other work-related rights'.

A detailed explanation of the approach and methodology as well as the materiality assessment can be found in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other relevant reporting information is presented at the level of sustainability matters.

Sto's employees include directly employed full-time and part-time staff, managing directors, trainees, and working students. In addition, there are staff members who are not employees who are affected by the significant impacts of the company's activities. This includes labour provided by third-party companies, which includes both the placement and leasing of labour as well as self-employed workers. External labourers generally cover the seasonal peak in demand. All employees who may be affected by material impacts of the company are covered by the disclosures in accordance with ESRS 2. The material impacts of the undertaking's own operations and value chain activities also have a direct impact on the employees in an employment relationship. To develop an understanding of whether individuals with certain characteristics and those who work in certain environments or perform certain activities may be more at risk, Sto takes into account the specific work environment of each worker as well as industry standards.

Beyond that, Sto has not identified any significant effects on the company's own workforce that could arise from plans to reduce negative environmental impacts and promote more environmentally friendly and climate-neutral activities. The actions derived from the climate risk analysis also take into account the concerns

of employees, for example protection against flooding or heat. So far, this has not had any material impact. This also applies to actions to reduce CO₂ emissions in line with international agreements. Furthermore, Sto has not identified any activities where there is a significant risk of forced labour or child labour, neither in terms of the type of activity nor in the countries or regions in which it operates.

Well-being and safety of our own employees (occupational safety)

In the context of the working conditions of our own workforce, Sto was able to identify two sustainability matters that summarise the material impacts, risks and opportunities. One of them covers the topics of 'Well-being and safety (including occupational safety) of our own employees'.

One actual positive impact that has been identified is:

- 'High degree of flexibility for employees in terms of organising their working time and work-life balance'.

Sto offers employees various options for flexible working hours, such as working-from-home models or part-time models. In addition, in cases where a collective agreement exists, the company grants more than the minimum days of leave required by national law, for example. The positive impact of the

- 'strong sense of belonging and job security for employees'

is summarised in the sustainability matter. Sto has a low number of fixed-term employment contracts and therefore offers secure employment for its employees.

The actual negative impacts under this sustainability matter include:

- 'Selective overload of employees due to peaks in work demand'.

This negative impact occurs sporadically and is to be classified as the result of individual incidents. One potential negative impacts is:

- 'Employees in production, logistics and development face a potential risk to their own health'.

This can be classified as systemic, as it is associated with the products manufactured by Sto.

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Together, these material impacts and opportunities form the sustainability matter 'Well-being and safety (including occupational safety) of our own employees'. This interacts with the strategy and the business model in different ways. The 'Employees' and 'Health and well-being' fields of action are related to the corporate strategy in connection with the sustainability matter. The actual positive impacts of the 'Employees' field of action can be attributed to the endeavours and actions associated with the general objectives of 'Reconciliation of family and working life' and 'Attractiveness as an employer'. The potential negative impact of selective overload can also be allocated to this field of action. It is not to be defined as a result of the strategy, but rather as evidence that underlines the significance of the endeavours and actions associated with the general objectives of 'Reconciliation of family and working life' and 'Employer attractiveness'.

The 'Health and well-being' field of action is aimed at dealing with the potential negative impact of jeopardising one's own health. The potentially negative impacts can be attributed to the endeavours and actions associated with the general objectives of 'Promote occupational safety and health protection' and 'Improve well-being', and the company-specific core targets 'Maximum occupational safety and no serious injuries at its own production facilities' and 'Promote the health of our employees'. A central aspect of minimising the potential negative impact is the continuous improvement of health and safety, as well as the elimination of serious injuries in the workplace and the low-emission design of products. The cause of the impact can be traced back to Sto's business model. This requires the use of potentially hazardous substances to a small extent.

Exchange with the employees

The second sustainability matter in the context of working conditions describes the 'Exchange with the company's own employees'. This includes the positive impact:

- 'Employees of all groups are adequately represented in terms of their economic, social and other needs thanks to the high level of collective bargaining agreement coverage'.

A high percentage of the workforce is covered by collective agreements. There are also various contact persons for employee matters. This impact is not related to and does not originate from the company's business model. Instead, this impact is linked to the strategy attribute 'Partnership'.

Further development of our own employees

For the sub-topic 'Equal treatment and opportunities for all', two sustainability matters were identified from the material impacts, risks and opportunities: 'Further

development of the company's own employees' and 'Equal treatment'.

The sustainability matter for the further development of our employees includes the actual positive impact:

- 'Employees have the assurance that their development is supported'.

Sto supports this impact through expenses in training and development programmes.

There is also the risk:

- 'Capacity bottlenecks and a lack of successors in the company due to a shortage of skilled workers and an ageing workforce'.

This risk applies to all of our own employees and results from their dependency. It can be linked to the business model, as this relies on trained professionals.

The 'Further development' sustainability matter is closely linked to the 'Employees' field of action. The actual positive impact results from the endeavours and actions associated with the general objective of 'Promotion of qualifications and development' from the 'Employees' field of action and the company-related core objective 'Promotion of knowledge and expertise' from the field of action of the same name. The endeavours and actions associated with the general objective of 'Promotion of qualifications and development' and the company-related core objectives 'Promotion of knowledge and expertise' and 'Fluctuation below 10 %' can be understood as a consequence of the risk.

Equal treatment

The sustainability matter 'Equal treatment' bundles various material impacts. An actual positive impact is:

- 'Employees have the assurance that there is little or no gender pay gap'.

The reason for this is that the gender pay gap is being minimised. Another actual positive impact is:

- 'Employees have the assurance that there are principles of conduct and reporting points for incidents of discrimination or other incidents'.

The workforce can report incidents via a whistleblower system. The actual material negative impact

- 'Female employees do not feel adequately represented in terms of their economic and social needs, due to low gender diversity and the low proportion of women in leadership positions'.

is partly systemic at Sto. The reason for this is the low proportion of women in management positions in the industrial sector in which Sto operates. People of the female gender in the company's own workforce are more severely affected by these impacts. Another actual negative impact is:

- 'Due to the low number of people with disabilities, these people do not feel adequately represented with regard to their economic and social needs'.

This negative impact is also partly systemic. For example, Sto does not fulfil the statutory quota required by law in Germany.

The sustainability matter pools the impacts associated with the fields of action of 'Transparency and social responsibility' as well as 'Employees'. The positive impact with regard to guidelines and reporting points can be attributed to the endeavours and actions associated with the company-related core objective 'No convictions related to compliance' from the 'Transparency and social responsibility' field of action. The remaining impacts are related to the 'Employees' field of action. The positive impact can be attributed to the endeavours and actions associated with the company-related core targets 'Increasing the proportion of women in management positions' and 'Equal pay for equal work'. Both of these negative impacts can be understood as indications that justify the endeavours and actions associated with the general objectives of 'Reconciliation of family and working life' and 'Strengthening diversity and equal opportunities', as well as the company-related core targets 'Increasing the proportion of women in management positions' and 'Equal pay for equal work'.

Other work-related rights – Human rights & Privacy

For the sub-topic 'Other work-related rights', the material impacts, risks, and opportunities were pooled under the sustainability matters 'Human rights' and 'Privacy'.

The actual positive impact falls under the sustainability matter 'Human rights':

- 'Employees have the assurance that no human rights violations (child labour and forced labour) take place within the company's own business activities'.

Sto has introduced a 'Code of Conduct' for its workforce that advocates diversity and opposes discrimination. Furthermore, the Code excludes any and all human rights violations. Sto also has a policy statement on the observance of human rights. The sustainability matter 'Privacy' includes the actual positive impact:

- 'Employees have the assurance that their privacy, self-determination and personal freedom are respected in the workplace'.

The personal information of our own workforce is respected by complying with the applicable data protection regulations as well as autonomy and personal space in the workplace.

Both sustainability matters can be attributed to the endeavours and actions associated with the general objective of 'Upholding and protecting human rights' as well as the company-related core objective 'No convictions related to compliance' from the 'Transparency and social responsibility' strategic area. This includes communicating the relevance of directives and control systems, consistent compliance with legal requirements and internal directives, as well as the promotion of ethical behaviour at all levels of the company.

4.2. Management of impacts, opportunities, and risks

S1-1 Policies related to own workforce

Policies related to the well-being and safety of our own employees:

Sto applies the 'General Works Agreement on a flexible working time account (flexi-account)', 'General Works Agreement on mobile working', and 'Occupational safety' policies to manage the actual positive and negative impacts as well as the potential negative impact of the 'Well-being and safety (including occupational safety) of our own employees' sustainability matter. In addition, individual working conditions are collectively agreed upon between the Sto Group and its employees by means of 'collective labour agreements'.

Collective agreements apply to the vast majority of employees at Sto SE & Co. KGaA and individual subsidiaries.

Sto's 'collective labour agreements' describe the collective agreements on remuneration. The general targets are the promotion of good working conditions and adequate pay. The collective agreements thus help to address the positive impacts identified in the areas of production, administration and commercial activities. Procedural monitoring of compliance is carried out by the HR department and the workers' representatives. The collective agreements apply to the employees of Sto SE & Co. KGaA and selected subsidiaries. The activities include collective pay and additional statutory leave. The stakeholder groups affected are the employees of Sto SE & Co. KGaA and selected subsidiaries. The collective agreements are the responsibility of Sto SE & Co. KGaA, selected subsidiaries and the parties to the collective agreement. The implementation of the collective agreements, which are standards

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of third parties, is not an obligation. The interests of stakeholders were taken into account, as the collective agreements are largely based on the statutory minimum wage and the statutory holiday entitlement. The collective agreements are made available via the trade unions, the employers' association and public channels.

The 'General Works Agreement on a flexible working time account (flexi-account)' describes the agreement to make working hours more flexible and to secure employment. The aim is to organise working times in such a way that both employees and the company benefit equally from the advantages of flexible working time arrangements. The aim is to make it possible to react even more flexibly to changing work volumes in the future and to grant both supervisors and employees a high degree of time sovereignty. In addition, seasonal fluctuations can be levelled out so that fixed-term employment contracts can be dispensed with and flexibility can strengthen employment security.

This General Works Agreement applies to all employees of Sto SE & Co. KGaA and StoCretec GmbH at the decentralised locations, in the SalesCentres, and in the central divisions at the headquarters in Stühlingen, Germany. Executive employees, employees working shifts (for whom separate company agreements apply), and individual employee groups are excluded.

Compliance with the agreement is monitored by supervisors, the Works Council and the HR department. The agreement thus helps to address the identified negative and positive impacts as well as the opportunities in the area of secure employment and flexible working hours within the company. The General Works Agreement is the responsibility of the Management of Sto SE & Co. KGaA, the Management of StoCretec GmbH and the General Works Council of Sto SE & Co. KGaA and StoCretec GmbH respectively. The agreement is made available via the 'StoInside' intranet.

The 'General Works Agreement on mobile working' describes the regulations on mobile working. The general target of this agreement are to enable a more flexible organisation of working time and place of work in the private and company interest. In this way, the General Works Agreement helps to address the positive impacts identified in the area of flexible division of labour within the company.

The stakeholder groups affected and the scope of the agreement are all employees of Sto SE & Co. KGaA and StoCretec GmbH who fall within the scope of the General Works Agreement of Flexible Working Time and the Working Time Regulations for the Kriftel/Rüsselsheim, Stühlingen Production and Logistics, Donaueschingen and Tollwitz sites. Trainees are excluded

from this agreement and can only work on a mobile basis in individual cases. Compliance with the agreement is monitored by supervisors, the HR department, the Works Council and, if applicable, the representative body for severely disabled employees. The Management Body of Sto SE & Co. KGaA, the Management Board of StoCretec GmbH and the General Works Council of Sto SE & Co. KGaA and StoCretec GmbH are responsible. The agreement is made available via the 'StoInside' intranet.

The 'Occupational safety' directive is an integral part of all operational functions at Sto. It stipulates that occupational safety is a central and holistic concern. The directive covers ethical, humanitarian, economic and ecological aspects. The main objective is to define the tasks and duties of managers, occupational safety specialists and company doctors in occupational safety. Occupational safety aims to protect the lives and health of employees through prevention, risk assessment and the organization of safe and health-promoting work systems. The stakeholder groups affected by the directive, which covers the entire Sto Group, are individuals from our own workforce. The Internal Audit is responsible for this directive. It is made available via the 'StoInside' intranet.

Policies in connection with the further development of our own employees:

Sto follows the 'Compliance Management Handbook' to manage the actual positive and negative impacts and risks in the further development of the promotion of sensitivity and adequacy in the conduct of its employees.

This includes the processes relevant to Sto. It is intended to support the implementation and continuous improvement of the integrated compliance management system and provide employees with assistance in their day-to-day work. The 'Compliance Management Handbook' promotes the compliance culture, as it serves as an easy-to-understand reference work. Additionally, it creates transparency, as it makes the entirety of compliance regulations tangible for all of a company's stakeholders. It is also intended to strengthen confidence in the company's compliance management system. The training topics and target groups are determined in accordance with the specific compliance risks of the company, taking into account national regulations on co-determination. The 'Compliance Management Handbook' serves as a guideline for the entire Sto Group with the exception of Sto Corp. and its subsidiaries. The Executive Board of STO Management SE is responsible for this directive. Compliance is warranted through training. All relevant compliance training is provided centrally via the company's eLearning portal. Responsibility for implementation lies with the respective managers and the current training status can be viewed at any time

via the Manager Dashboard on the Sto intranet. In addition, the Chief Compliance Officer receives an annual consolidated analysis of the compliance training status of all subsidiaries and reports on this to the Supervisory Board. When the directive was drafted, the interests of stakeholders were taken into account with the directive being based on legal requirements. The 'Compliance Management Handbook' is made available in electronic form via the 'StoInside' intranet and can be accessed by the company's employees at any time.

Policies related to equal treatment and equal opportunities:

To manage the actual positive and negative impacts of the sustainability matter of 'Equal treatment and equal opportunities', Sto applies the principles of the 'Code of Conduct', the 'Policy statement on Human Rights', and the 'Compliance Management Handbook'.

The 'Code of Conduct' forms the basis for business relationships with external partners, in dealing with the public and in day-to-day interaction within the company. The general target of this directive is to provide support in order to make the right decisions.

In order to combine economic success with social responsibility and protection of the environment and to ensure compliance, the 'Code of Conduct' defines clear behavioural directives for all employees.

It addresses the topics:

- Competition & competition law
- Corruption & bribery, gifts & invitations
- Dealing with customers, information & customers
- Dealing with suppliers and service providers
- Ban on discrimination; interacting respectfully
- Reporting infringements and the reporting system
- Data protection
- Recruitment conditions, employment conditions, working conditions
- Health and safety at the workplace
- Donations and sponsoring
- Child labour, forced labour, and human rights
- Environmental protection
- Climate change mitigation
- Resource protection
- Sustainable economic management
- Circular economy

The 'Code of Conduct' is binding for all employees of the Sto Group. It applies worldwide and is the responsibility of the Executive Board of STO Management SE. Standards of third parties are taken into account in the guideline, as the directive is based on statutory requirements. Compliance is additionally ensured through training. It is made available via the 'StoInside' intranet page and the Sto website.

The 'Code of Conduct' serves as an important guide to ensure that all employees are protected from discrimination and harassment. The topics of promotion of equal opportunities, diversity and inclusion are also addressed in the 'Policy Statement on Human Rights'. In order to prevent, curb and fight discrimination and promote diversity and inclusion, Sto focuses on sensitising and training its employees. Employees receive the 'Code of Conduct' at the beginning of their employment at Sto. This is also communicated both internally and externally in many places. The 'Code of Conduct' and the 'Compliance Management Handbook' prohibit any form of discrimination. In addition, the 'Policy statement on Human Rights' covers a large number of grounds for discrimination. There are no specific political obligations with regard to inclusion or support measures in favour of groups of people who are particularly vulnerable among the company's own workforce.

The 'Policy statement on Human Rights' is presented in detail in the following section. The 'Compliance Management Handbook' has already been described.

Policies related to Other work-related rights – Human rights:

To manage the actual, positive impacts of the sustainability matter of 'Other work-related rights – Human rights', Sto follows the 'Policy statement on Human Rights'.

With its 'Policy statement on Human Rights', Sto is demonstrating a long-term commitment to the protection of human rights. In all business areas and along the value chains, the company is committed to respecting and complying with internationally recognised human rights. This explicitly includes the prohibition of child and forced labour as well as any kind of slavery and discrimination. Sto is also committed to strengthening the freedom of association. Occupational safety, fair wages and protection of the environment are also key concerns for Sto. Sto rejects forced evictions.

This policy statement aims to promote commitment to and respect for human rights within Sto's global value chain. The Executive Board of STO Management SE monitors compliance with the obligations, while the 'Sustainability' organisational unit is responsible for the operational implementation of the human rights strategy. It is supported by the Material Management and Internal Audit/Compliance departments.

The policy statement applies to all Sto's business activities and employees. It is made available via the 'StoInside' intranet page and the Sto website. Suppliers and business partners are also expected to comply with these principles as an obligation and to implement appropriate processes to respect human rights. Responsibility for this policy statement lies with the Executive

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Board of STO Management SE. It is made available to all employees of the Sto Group.

Policies related to Other work-related rights

– Privacy:

Sto applies the 'Data Protection Policy' to manage the actual positive impacts of the sustainability matter of 'Other work-related rights – Privacy'.

It describes the principles of data protection, the protection of the rights of affected individuals and the organisation of the data protection management system. The general target of this principle is to protect the personal rights of employees and all business partners. The Internal Audit department is responsible for the principle, it applies to the entire Sto Group.

Compliance with data protection regulations is monitored procedurally. Every supervisor must ensure and monitor that the employees under their supervision comply with data protection regulations.

The principle is made available via the intranet page 'StoInside'. The stakeholder groups affected are employees, suppliers, business partners and customers.

Further explanations on respect for human rights:

The Executive Board of STO Management SE is responsible for monitoring compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises and the 'Policy statement on Human Rights'.

Sto's respect for human rights is based on internationally recognised instruments and principles of leading international organisations such as the International Labour Organization (ILO), the OECD and the UN. These provide a clear orientation framework for the organisation of social and ecological responsibility. The ILO's core labour standards include the OECD Guidelines for Multinational Enterprises and the UN Global Compact initiative with its ten principles. These are used to analyse business activities. Since 2009, Sto has published the results of the annual analysis in the 'UN Global Compact Progress Report'.

The 'Policy statement on Human Rights', 'Code of Conduct' and 'Supplier Code of Conduct' are in line with the United Nations Guiding Principles on Business and Human Rights. These apply to the entire Sto Group and were developed together with the workers' representatives. In addition, compliance with statutory, collectively agreed and company regulations ensures comprehensive protection of fundamental rights. The views of the company's own workforce were incorporated into the drafting of these agreements and regulations

in cooperation with workers' representatives. This gave Sto comprehensive insights into the views of its own workforce.

The values for responsible business anchored in the 'Sto Code of Conduct' relate in particular to the protection of the environment, human rights, labour standards, transparency, and the fight against corruption. Corresponding information and topic-specific support are offered selectively in the form of training.

Sto employees can raise and discuss human rights issues in annual appraisal interviews with managers, Group-wide employee surveys, exit interviews and via the reporting system.

In addition, the channels through which concerns can be raised provide remedy for impacts on employees' human rights.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

The Head of Human Resources bears operational responsibility for the incorporation of the workforce and ensures that the results are incorporated into the corporate concept.

In order to manage the actual and potential impacts on employees, Sto integrates the views of its own workforce into decisions and actions. The workforce is incorporated both directly and via workers' representatives.

The interests of employees are represented by the Works Council, elected members of the Supervisory Board and relevant interface partners such as specialist departments, Human Resources and workers' representatives, who are directly elected. In order to incorporate the views of employees into decisions and activities, regular meetings are held with workers' representatives such as the General Works Council, the Economic Committee and other committees and bodies. The different formats are described below. These warrant that the perspectives of employees are integrated into Sto's corporate decisions.

Engagement through training and awareness-raising on the topic of sustainability

Training and awareness-raising on the topic of sustainability is generally provided through training and information measures for new employees and as needed. They are based on the topicality and relevance of the respective topic. This is a combination of information and consultation.

In the case of specific individual measures, such as energy efficiency activities, product developments or supplier evaluations, there is direct engagement in concrete decisions. The feedback from the general

format can only indirectly lead to strategic adjustments or amendments being made to the business model. Employees are therefore informed via other channels such as the Sto intranet 'StoInside' or the 'StoMagazine' about how their feedback has influenced decisions.

The type of incorporation varies depending on the training. In the case of centralised training, Engagement takes place at Group level; in the case of decentralised training, Engagement takes place at the level of the Group companies. Feedback is centralised through coordination between the decentralised departments responsible for conducting the training and the central departments.

Engagement via the intranet in the 'StoInside' format

The engagement of employees via the intranet in the 'StoInside' format is continuous and event-driven. This is a combination of information and consultation.

Employees can leave comments on the intranet to respond to posts and address them to the authors via the editorial team. This feedback is recognised and forwarded to the communications department. There is no direct engagement in concrete decisions. The feedback can only indirectly lead to strategic adjustments or amendments being made to the business model. Employees are informed about how their feedback has influenced decisions via other channels such as further 'StoInside' articles or the 'StoMagazin'.

Engagement is carried out for part of the Group, as the 'StoInside' intranet is not accessible in all subsidiaries.

Communication via the 'StoMagazine' for employees

Communication via the 'StoMagazine' for employees generally takes place two to three times a year. This is a combination of information and consultation.

Employees can comment on the articles in 'StoMagazine' and address them to the editorial team. These are recognised and forwarded to the responsible bodies. There is no direct engagement in concrete decisions. The feedback can only indirectly lead to strategic adjustments or amendments being made to the business model. Other channels, such as 'StoInside' or other 'StoMagazine' articles, are used to inform employees about how their feedback has influenced decisions.

Engaging a large part of the Group, the 'StoMagazine' is not accessible to all subsidiaries.

Team meetings

Team meetings are held on a regular basis, with the frequency depending on the individual needs of

the teams. This is a combination of information and consultation.

Employees have the opportunity to express their views in the form of verbal feedback at team meetings and to address these directly to the team leaders. Direct engagement can take place for decisions that are the responsibility of the team leaders. For other decisions, the feedback is recognised and forwarded to the HR department. In this case, there is no direct engagement in concrete decisions. Employees who have contributed to the decision-making process are informed either directly via their line manager or, in the case of decisions affecting several people, via other channels such as 'StoInside' or 'StoMagazine' about how their feedback has influenced decisions. Engagement takes place at team level.

Appraisal interviews between employees and their managers

Appraisal interviews between employees and their managers usually take place once a year. They are a combination of consultation, feedback, target agreement and development planning.

Employees have the opportunity to express their views in the form of verbal feedback in the confidential appraisal interviews and to address these directly to their disciplinary superiors. As part of these discussions, direct engagement in decisions that are the responsibility of disciplinary superiors can take place. For other decisions, the feedback is recognised and forwarded to HR. There is no direct engagement in concrete decisions.

Employees who have contributed to the decision-making process are informed either directly via their line manager or, in the case of decisions affecting several people, via other channels such as 'StoInside' or 'StoMagazine' about how their feedback has influenced decisions.

Engagement takes place through direct exchange between employees and managers.

Exchange and consultation formats as well as negotiations between the Executive Board of STO Management SE, the HR department, the Works Council and the co-determined Supervisory Board

Exchange and consultation formats as well as negotiations between the Executive Board of STO Management SE, the HR department, the Works Council and the co-determined Supervisory Board generally take place on an ad hoc basis. This is a combination of information, consultation and co-determination.

Workers' representatives have the opportunity to express the views of employees in the form of verbal feedback and to address them directly. In these formats, in which mainly consultations and negotiations take place, the workers' representatives are usually

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directly involved in the decision-making processes. The workforce is informed about how their feedback has influenced decisions either via the next events with the Executive Board of STO Management SE, by the workers' representatives or via other channels such as 'StoInside' or the 'StoMagazine'.

Engagement takes place partly at a centralised level with the parties of STO Management SE and partly at a decentralised level with the parties of the subsidiaries.

Reporting system (whistleblower platform)

The reporting system is permanently available to employees and is used on an ad hoc basis. This is a form of consultation.

Employees have the opportunity to address various incidents via the reporting system. Depending on the type, these are followed up via defined processes and employees are informed of decisions made or consequences.

Engagement takes place at the level of the entire Group, as the reporting system is accessible to employees in all subsidiaries. It is personally supervised by the Chief Compliance Officer. A detailed description of the reporting system is provided in Chapter G1-1 'Corporate culture and concepts for corporate governance'.

Representative body for severely disabled employees (incl. inclusion)

Sto has a representative body for severely disabled employees, which is open to all employees.

The representative body for severely disabled employees is a separate corporate entity that specifically represents the interests of disabled employees and often acts as an important bridge between employees and employers. The main tasks of the representative body for severely disabled employees are the promotion of the integration of severely disabled people, counselling in all relevant matters, monitoring of compliance with the law (e.g. mandatory quota, protection against dismissal), and the representation of interests vis-à-vis the employer. Related tasks include mediation in conflicts, support in occupational reintegration management, and involvement in personnel decisions to ensure accessibility and participation. Other important areas include protection against dismissal (support with dismissals, obtaining the approval of the integration office), workplace ergonomics (promotion of barrier-free and disability-friendly workplaces), and inclusion (active involvement in shaping participation in working life).

Employee survey

Employee surveys are conducted on an ad hoc basis. This is a form of consultation.

The survey of employees is intended to contribute directly to aligning HR work even more closely with their needs. Employees have the opportunity to present their views as part of the response. The results are analysed as standard. HR work is then adjusted on this basis in consultation with the Executive Board of STO Management SE. This means that employees are directly engaged in the decision-making process. The workforce is generally informed via channels such as 'StoInside' or the 'StoMagazine' about how their feedback has influenced decisions.

Engagement takes place at the level of the entire Group, as the employee surveys are aimed at all employees.

Exit interviews

Exit interviews are held on an ad hoc basis when people leave the company's own workforce. This is a form of consultation.

Affected employees have the opportunity to present their views and reasons for their exit verbally. This feedback is recorded by the HR department. There is no direct engagement in concrete decisions. The feedback can only indirectly lead to strategic adjustments or amendments being made to the business model. After their exit, exiting persons do not receive any feedback on the extent to which they have contributed to the decision-making process. Engagement takes place is achieved through direct dialogue between the employees leaving the company and the HR department.

The effectiveness of cooperation with the company's own workforce is evaluated at an annual workshop organised by Sto SE & Co. KGaA in cooperation with the General Works Council. The received feedback is analysed. In particular, the results from the previous employee survey are subject of the discussion.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

In order to identify potential negative impacts on people in the company's own workforce, various dialogue procedures were mentioned in Chapter S1-2 'Processes for engaging with own workers and workers' representatives about impacts'. These formats help to find remedy when material negative impacts on people in the own workforce have already been caused. Regular dialogue between employees and their disciplinary superiors and recurring employee surveys are particularly significant for Sto.

In dialogue with their disciplinary superiors, employees have the opportunity to proactively report any negative impacts or potential negative impacts in a confidential setting. As part of an employee survey, Sto has the opportunity to obtain specific information on any negative

impacts that have arisen or may arise, which may not be expressed in other dialogue formats. Targeted questions and the anonymity of the survey make it possible to effectively identify such impacts.

In addition to the dialogue formats, employees can also proactively contact the Works Council members, youth and trainee representatives, representatives for severely disabled employees and inclusion officers as well as other workers' representatives in the event of any negative impacts. These dialogue formats have been implemented at Sto SE & Co. KGaA and other companies.

In addition to the dialogue procedures as a starting point, the reporting system, risk management and internal audits serve to improve negative impacts.

The reporting system, including the directive for protecting whistleblowers from retaliation, is described in detail in Chapter 7 (ESRS G1). The effectiveness of the actions (including via the governance model) to prevent and mitigate adverse impacts with regard to human rights are reviewed by Sto SE & Co. KGaA on an annual and ad hoc basis. This also includes monitoring compliance with principles of conduct. In addition, incoming complaints about possible human rights violations are processed.

As described in Chapter S1-2 'Processes for engaging with own workers and workers' representatives about impacts', Sto has various channels through which employees can express their concerns or needs directly to the company and have them reviewed. These are a central component of internal and external communication and contribute to transparency and openness. These structures are also applied within the corporate due diligence obligations in supply chains and in the area of grievance management. Employees can report violations via the aforementioned channels. They can contact their supervisor, the HR department, the Works Council or the Compliance Officer directly. These channels were set up by the company itself.

Sto also has a procedure for processing complaints in connection with employee matters. The Management Board and the General Works Council have developed principles and targets for responsible and legally correct conduct – known as 'compliance' – in a General Works Agreement.

The aim is to create a secure framework for dealing with business partners, employees, customers, competitors, and other external parties in order to prevent breaches of the law and cases of corruption. The principles and targets set out in this works agreement and the compliance organisation are intended to ensure ethical and legal standards between the persons involved.

All employees, including new hires, receive in-house training on compliance, which is provided in the form of regular face-to-face or online seminars. Training is repeated on an ongoing basis to ensure that knowledge is always up to date. There are also training documents on the reporting system. All information on the available channels can be found on the intranet page 'StoIn-side'. These procedures support the availability of the channels at the workplace.

The actions taken are monitored and tracked by the Chief Compliance Officer, taking into account the interests of employees. They are reported to the Chief Financial Officer of STO Management SE and approved in advance if required. Monitoring is carried out by Internal Audit, the Compliance department or affected departments such as Human Resources and the Supervisory Board of Sto SE & Co. KGaA.

The effectiveness of the channels through which employees can express their concerns and needs is ensured by establishing and publicising them, as training is provided. Furthermore, the reporting system is used to report incidents, which demonstrates the effectiveness of these channels. Actions for the improvement of employee matters are regularly reviewed and adjusted via the fixed rhythm of dialogue and survey formats.

In order to strengthen the trust of stakeholders and ensure adequate accountability for fair conduct, procedural principles apply that are laid down in directives or comparable documents (e.g. the Compliance Management Handbook). These procedures are available both internally and externally via websites. In addition, there are various contact options that have already been outlined. The procedures and accessibility of the contact channels are a regular part of employee training and are supplemented by FAQs, data protection notices and personal counselling. Regular dialogue with workers' representatives ensures that actions to improve employee interests are continuously monitored and planned adjustments are made.

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Actions relating to the well-being and safety of our own employees (occupational safety):

The following actions were taken by Sto to manage the actual positive and negative impacts and the potential negative impact of the 'Well-being and safety (including occupational safety) of our own employees' sustainability matter.

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Flexible working conditions

An attractive working environment is created to attract and develop the best talent for the company. This includes cultural and networking initiatives, learning and further training opportunities, performance-related remuneration and additional benefits. Flexible working conditions and work-life balance are particularly important. In order to maintain flexibility in the working conditions of the workforce at Sto SE & Co. KGaA, broad working time corridors were created in compliance with statutory requirements, within which employees can determine their own daily working times. Regulations have also been put in place for mobile working at Sto SE & Co. KGaA.

These actions support the strategic corporate goal 'Committed employees' from the corporate strategy 2025. The scope of the actions fundamentally extends to all Sto companies and covers the company's own operational activities. It is planned to maintain the actions on a permanent basis.

Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Fair pay

Pay in line with the market and performance is anchored in Sto's human resources instruments. The principles governing remuneration are defined in the Guiding Principles, applicable framework guidelines and collective wage agreements. By belonging to regional collective agreements, for example in Germany, material actions are implemented to create appropriate and competitive working conditions. Income is based on the employee's function or responsibility and depends on their skills as well as individual development and performance. In addition, total income is based on current market conditions and is limited by a variable component with downward and upward caps. Collectively agreed and statutory minimum standards, such as the local minimum wage, also apply. If there are agreements between employers' organisations and trade unions, they are complied with. Personal characteristics such as gender, age, etc. have no influence on remuneration.

These actions support the strategic corporate goal of 'Committed employees'. The scope of the actions fundamentally extends to all Sto companies and covers the company's own operational activities. It is planned to maintain the action on a permanent basis.

Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Accident prevention

Sto has implemented comprehensive actions to prevent accidents in everyday working life. Safety during commissioning of the production facilities and on the transport and work routes of employees is a top priority for the company. These actions contribute to the company's goal of 'maximum occupational safety and no serious injuries at its own production facilities'. The scope of the actions concerns safety precautions, all geographical areas and primarily covers Sto's operational activities. It is planned to maintain the actions on a permanent basis.

Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Avoidance of substances that are hazardous or harmful to health

Sto promotes the health and well-being of customers and users by reducing or avoiding substances that pose a health risk and by developing products that promote health. Sto carries out voluntary emission tests for its interior products and relies on certification by independent and neutral organisations.

Technical, organisational and personal actions are taken to promote the physical and mental health of employees. In production, care is taken to avoid substances that are hazardous or harmful to health in accordance with the REACH Chemicals Regulation and emissions measurements are carried out in accordance with international standards. The company also follows leading certification systems for sustainable construction. Actions to prevent accidents in everyday working life, particularly during the commissioning of production facilities and on employees' transport and work routes, are a top priority. They support the company's goal of 'maximum occupational safety and no serious injuries at its own production facilities'. The actions include the provision of work and protective gear, company subsidies for optical glasses for screen work, emission measurements at production sites, software licences for the 'hazardous substances module', substitution of hazardous materials, and product certifications. They cover all geographical areas and include the company's own operations and the upstream and downstream supply chain. It is planned to maintain the actions on a permanent basis.

Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Preventive healthcare and health management

For preventive health care, there are occupational health services, company doctors and external service providers. The framework is characterised in particular

by the membership of the Sto Group's German company in the German Social Accident Insurance Institution for the raw materials and chemical industry (BG RCI). At the Scandinavian companies Sto Scandinavia AB, Sto Danmark A/S, Sto Finexter OY and Sto Norge AS, Shanghai Sto Ltd. in China and Beissier S.A.U. in Spain, the management processes for health, safety and well-being are audited by independent service providers in accordance with ISO 45001. The German companies Sto SE & Co. KGaA, StoCretec GmbH and the Austrian Sto Ges.m.b.H. have each implemented an occupational health and safety management system as part of the integrated management system, which they voluntarily based on ISO 45001. Innolation GmbH and Verotec GmbH align their measures with OHRIS, a management system from the Bavarian State Government for improved health at work and safety of technical installations. Sto SEA Pte. Ltd. from Singapore is audited according to the bizSAFE programme. The French companies Innolation S.A.S. and Beissier S.A.S. are certified in accordance with the French standards for corporate responsibility RSE (Responsabilité Sociétale des Entreprises). Sto Corp. in the USA is certified in accordance with OSHA (Occupational Safety and Health Administration).

Company health management includes a wide range of fitness programmes, seminars and campaigns relating to preventive health care and health promotion. Sto offers optional measures that focus on and promote the core topics of exercise, a balanced diet, and a healthy lifestyle. They are implemented through the Group's Fit@Sto initiative and form the framework for comprehensive health management.

The physical and mental fitness of employees is promoted with a wide range of offers at numerous locations, supplemented by comprehensive digital programmes. Fit@Sto includes, for example, regional activities centred around the Sto sports club with various sports activities for employees, as well as a wide range of offers and campaigns such as the recurring apple campaign, which promotes healthy eating and the health of the workforce. The physical and mental activity programmes are complemented by the provision of a safe working environment for the company's own workforce, for example by providing safe work clothing, ergonomic chairs, height-adjustable desks, and appropriate advice to ensure a healthy workplace.

These measures support the corporate strategy with regard to 'Committed employees' as well as the corporate goal of 'Promotion of employees' health through a variety of actions'. The scope of the actions concerns the provision of preventive health care and health management as well as the implementation of certifications. They primarily relate to Sto's companies in Europe, China and North America and comprise the

Group's own operating activities. It is planned to maintain the actions on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Sports courses

The programme for promoting the physical and mental health of employees includes a comprehensive selection of sports courses, health lectures and life coaching sessions.

Sto Ges.m.b.H. in Austria continued its commitment to the promotion of the health and well-being of its employees consistently in 2025. As part of the 'xund@sto' initiative, the focus remained on nutrition. Following the successful 'No Sugar Challenge' in November 2024, the format was developed further: 'healthy snacks' promotions featuring healthy products sourced locally are held twice a year at all locations and have been very well received by employees.

In addition, there was an increased focus on exercise and collective activity in 2025. Sto employees took part in several team sports events including running events for businesses in various federal states and the company triathlon. The bike leasing project continues to be very popular, with around 80 bikes now in use. This initiative is designed to provide an additional incentive to commute to work in a CO₂-neutral way and to promote physical fitness at the same time.

These actions support the strategic corporate goal of 'Committed employees'. The scope relates to the offering of sports courses, primarily at Sto companies in Germany and Austria, and includes its own operational activities. It is planned to maintain the actions on a permanent basis.

Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Training on occupational safety and health protection

As an employer with production operations and administrative areas, building safe and healthy working environments is deeply rooted in how we at Sto see ourselves as a company. For the company, the warranty of occupational safety and health protection means much more than just complying with statutory regulations. Proactive measures and preventive action are the pillars of precaution. Occupational protection and safety are also important indicators of the trust and motivation of employees. Sto organises international training courses on occupational health and safety and aims to achieve an occupational accident rate of under ten in Germany, i.e. under ten reportable accidents at work or

ESRS S1. Own workforce

on the way to and back from work per 1,000 employees per year ('1,000-man rate'). Hazard identification, risk assessment and the investigation of incidents are carried out in routine processes. Serious accidents are documented, investigated and actions are derived to prevent future accidents. They also support the company's 'Occupational safety' directive. The scope of the actions includes licences for software, e-learning courses and information events on the subject of security at the main site Stühlingen/Germany. They relate to all geographical areas and cover the company's own operating activities. It is planned to maintain the actions on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Health and safety in the workplace

The corporate objective of safety and health at work serves to protect employees from work-related safety and health risks through actions, means and methods. The aims are to prevent accidents in the workplace and protect the health of the workforce. The regulations of the German Social Accident Insurance Institution for the raw materials and chemical industry (BG RCI) and the Responsible Care initiative are of central importance to Sto. The scope of the actions includes the software licence for online training, the emergency reporting and crisis management control process, a hotline via the service provider WSH GmbH, the revision of the fire brigade plan, and the plant fire brigade at Stühlingen-Weizen/Germany, as well as action days at locations promoting preventive measures to improve health and to protect the safety of employees. The actions relate to all geographical areas and cover our own operational activities and the upstream supply chain, particularly in the transport sector. It is planned to maintain it on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Management system for safety and health at work (SGA-MS)

Since 2021, the implementation of the management system for health and safety at work (HSW-MS) has supported Sto in providing safe and healthy workplaces, preventing work-related injuries and illnesses, and continuously improving the performance when it comes to health and safety at work. Possible work-related hazards with the risk of illness are recognised, avoided or reduced through systematic risk assessments.

This action supports the company's goal of 'Maximum occupational safety and no serious injuries at its own production facilities'. The scope includes the activities of a service provider for risk assessments and audits of statutory requirements through certification audits (ISO

9001 and ISO 14001), covers the geographical area of Germany, and includes the company's own operational activities. It is planned to maintain the action on a permanent basis.

Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Sto provides a budget for prevention campaigns and ensures that statutory bodies provide safety-related supervision and occupational medical care. The safety and health of employees is warranted by complying with all statutory requirements. These actions also help to promote positive impacts in the area of occupational safety.

Actions in connection with the further development of our own employees:

The following actions were taken by Sto to deal with the effects of the actual positive and negative impacts as well as the risk of the sustainability matter in connection with the 'further development of our employees'.

Compliance and IT security training

In the year under review, mandatory compliance and IT security training was conducted via internal communication platforms and e-learning courses in order to sensitise employees and further develop and strengthen their awareness of compliance and safety standards. They are part of Sto's CompliancePlan and are applied in more detail in Chapter 7 (ESRS G1). This action supports the strategic corporate goal of 'Committed employees'. The scope covers all geographical areas and includes the company's own operating activities. It is planned to maintain the action on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Development opportunities

Sto offers employees a wide range of development opportunities to help them achieve their professional targets. The further training measures include language courses, specialist seminars (in-house and external), training courses for project leadership and management, development programmes for managers and individual coaching. There is also a comprehensive learning platform for the systematic transfer of expertise and practised knowledge management. It includes a large selection of learning paths and diverse digital learning content for self-directed further education, and provides targeted qualification for employees worldwide. All employees with the appropriate IT infrastructure have Group-wide access to these resources.

The central learning strategy focuses on simplifying the range of digital learning platforms in addition to

standardised Group-wide training and HR development solutions with digital self-learning content. This is intended to promote the acceptance of self-directed digital and lifelong learning. The Sto Group's learning platform currently offers 740 different courses in at least eight languages. The compliance and security training courses bring the total to 994 courses in at least 14 languages.

The offers for further education and qualification aim at maintaining and developing the professional and personal skills of the employees. In times of constant change, demographic change, and digitisation, education, training, knowledge transfer are crucial for accurate and up-to-date knowledge in the company. Conversely, Sto benefits from the skills of the well-trained specialists and employees, which ensures mutual success.

These actions support the corporate strategy with regard to 'Committed employees'. Actions include a wide range of courses such as language courses and further education programmes. The actions relate to the Sto Group and include our own operating activities. It is planned to maintain it on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Actions related to equal treatment and equal opportunities:

The following actions have been taken by Sto to deal with the effects of the actual positive and negative impacts of the sustainability matter 'Equal treatment and equal opportunities'.

Prosecution of cases of discrimination

The Sto Group views diversity as an enormous potential that is of great importance not only socially and politically, but also economically. As an international company, the promotion of diversity and tolerance is an integral part of our corporate strategy. This is reflected in the support provided to people regardless of ethnic origin, nationality, gender, age, sexual orientation, disability and religion. The 'Sto Code of Conduct' prohibits any form of discrimination, whether based on race, ethnic origin or skin colour, gender, sexual orientation, gender identity, disability, language, age, religion, political opinion, national origin or social background, as well as other forms of discrimination. All employees have easy access to information on complaints procedures and can use them to report incidents. Cases of discrimination are consistently pursued at all locations.

These actions contribute to the achievement of the corporate directive 'Code of Conduct' and are designed to be implemented on a permanent basis. The scope covers awareness-raising and training measures in all

geographical areas of the entire Sto Group and encompasses the company's own operational activities. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Training on the significance of guidelines

Through regular training, Sto communicates the importance of the corporate directives, the 'Code of Conduct' and the management, control and reporting systems to its employees. This strengthens the company's culture of honesty and ensures that it is a daily benchmark for all employees. The actions support the 'Compliance Management Handbook' directive. The scope covers all geographical areas in which Sto is active and includes the company's own operating activities. It is planned to maintain the actions on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Actions related to other work-related rights

– Human rights:

The following actions were taken by Sto to deal with the actual positive impacts of the 'Other work-related rights – Human rights' sustainability matter.

Training

The values for responsible business anchored in the 'Sto Code of Conduct' relate in particular to the protection of the environment, human rights, labour standards, transparency, and anti-corruption. The guidelines for acting with integrity, which are binding for all employees, summarise important laws and internal company rules governing conduct in business dealings with third parties, in dealings with the public, and day-to-day interaction within the Group. The 'Policy statement on Human Rights' contains the obligation to respect, strengthen and prevent violations of human rights. Sto calls on all actors along the value chain to respect international human rights. Sto offers relevant information and topic-specific support in the form of training courses. This action supports the corporate directives 'Code of Conduct' and 'Policy statement on Human Rights'. Its scope covers all geographical areas and includes the company's own operations as well as the upstream supply chain. It is planned to maintain the action on a permanent basis. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Presentation of the Compliance Management Handbook

To ensure compliance with laws and regulations, all employees are familiarised with Sto's statutory compliance management handbook by the responsible managing directors. Guidance documents from leading

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international organisations such as the ILO, the OECD, and the UN provide Sto with a clear framework for shaping social and environmental responsibility. The company uses the ILO Core Labour Standards Conventions, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact Initiative with its ten principles in the analysis of its business trade. This action supports the corporate strategy with regard to 'Committed employees'. It is planned to maintain it on a permanent basis. The scope of the actions relates to the entire Sto Group. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

For the impacts of the sustainability matter 'Dialogue with employees', the dialogue procedures described in Chapters S1-2 'Processes for engaging with own workers and workers' representatives about impacts representatives about impacts' and S1-3 'Processes to remediate negative impacts and channels for the own workforce to raise concerns' continued to be implemented in the year under review. With regard to the sustainability matter 'Other work-related rights – Privacy', there were further actions in addition to the implementation of statutory requirements.

The effectiveness of all actions and initiatives for our own workforce is evaluated through employee surveys and the measurement of indicators and key figures. In addition, the key figure of fluctuation confirms the success of Sto's employer brand, which is also confirmed by its good performance in external employer rankings and employee surveys. As part of a Group-wide employee survey, Sto asked around 5,300 employees worldwide to anonymously rate Sto's attractiveness as an employer. Various employee surveys were conducted in the subsidiaries.

Sto employees can use the reporting system to draw attention to material negative impacts in relation to procurement, sales and data use. This is intended to prevent the company's own practices from having or contributing to material negative impacts on employees.

Sto uses the dialogue formats described above to determine which actions are necessary and appropriate in order to respond to certain actual or potential negative impacts on its own workforce.

4.3. Key figures and targets

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Targets related to occupational safety:

Sto has set the following targets for managing the potential negative impact of the sustainability matter 'Well-being and safety (including occupational safety) of our own employees'.

Preventing serious injuries and reducing accidents at work

One of Sto's targets is to ensure maximum occupational safety and to completely prevent serious injuries at its own production facilities. It is directly related to the strategic targets of the sustainability matter 'Well-being and safety (including occupational safety) of our own employees' and is in line with the overarching corporate targets. The target level set at Sto SE & Co. KGaA is defined by a work accident rate of less than ten reportable accidents at work or on the way and back from work per 1,000 employees per year ('incident rate per 1,000 people'). The 1,000-man quota for the current year under review is used to measure progress. The causes of accidents are also determined during the analysis. In 2025, the value was 14.7. The aim is to reach the target level in the next financial year.

The methods and significant assumptions used to set the targets are based on the chemical industry's Responsible Care initiative and the average values of the German Social Accident Insurance Institution for the raw materials and chemical industry (BG RCI). Stakeholder engagement in the definition of targets is warranted in that the actions are designed to protect employees and are based on industry initiatives, which are thus indirectly involved. This ensures that all relevant perspectives are taken into account.

The target has not changed. The target is monitored and reviewed by the internal audit. The progress is reviewed at least once a year to ensure that it is in line with the original plan.

Targets related to equal treatment and equal opportunities:

Sto has set the following targets for managing the actual positive and negative impacts of the sustainability matter 'equal treatment and equal opportunities'.

Proportion of women in management positions at the 1st management level

The target is to achieve a share of 10.0 % for management positions at the first level below the personally liable partner at STO Management SE by 31 December 2030. This target is directly related to the strategic targets of the sustainability matter 'Equal treatment' and is in line with the overarching corporate targets.

To measure progress, the proportion of women in management positions at the first management level of Sto SE & Co. KGaA in the current year under review

is used as a reference value and year. As at 31 December 2025, it was 8.3 %. The target was set for the year 2030.

With regard to the above target, it should be noted that Sto SE & Co. KGaA restructured the management levels below the management by the personally liable partner in the 2026 financial year, with the result that different jobs and positions will be available in the 2026 financial year than in the 2025 financial year, and there will therefore only be limited comparability with the previous period.

The methods and significant assumptions used to set the targets include the statutory requirements. Stakeholder engagement in setting targets takes place through political processes, which ensures that all relevant perspectives are taken into account.

The target value has increased compared to the previous year. The target is monitored and reviewed by determining the share of women in management positions at the 1st management level. The progress is reviewed at least once a year to determine whether or not it is in line with the original plan.

Proportion of women in management positions at the 2nd management level

Another of Sto's targets for managing the sustainability matter 'Equal treatment' is to achieve a share of 20.0 % for management positions at the second level below the personally liable partner at STO Management SE by 31 December 2030. This target is directly related to Sto's strategic targets in the field of action of 'Employees' and is in line with the overarching corporate targets.

To measure progress, the proportion of women in management positions in the 2nd management level of Sto SE & Co. KGaA in the current year under review is used as a reference value and year. As at 31 December 2025, it was 8.9 %. The target is to be achieved by 2030.

With regard to the above target, it should be noted that Sto SE & Co. KGaA restructured the management levels below the management by the personally liable partner in the 2026 financial year, with the result that different jobs and positions will be available in the 2026 financial year than in the 2025 financial year, and there will therefore only be limited comparability with the previous period.

The methods and significant assumptions used to set the targets include statutory requirements. Stakeholder engagement in the definition of targets takes place through political processes. This ensures that all relevant perspectives are taken into account.

The target has not changed. The target is monitored and reviewed by determining the share of women in management positions at the 2nd management level. The progress is reviewed at least once a year to determine whether or not it is in line with the original plan.

No measurable results-oriented targets were set for the sustainability matters of 'Well-being and safety (including occupational safety) of our own employees', 'Dialogue with own employees', 'Other work-related rights – Human rights', and 'Other work-related rights – Privacy', as they are part of the general compliance measures that are generally observed. In addition, some policies and actions are part of corporate practice. The effectiveness of the policies and actions is not reviewed in the form of defined targets and indicators.

Sto worked directly with its own workforce and its workers' representatives to define its targets. Involving employees in the actions and processes for implementing the sustainability strategy is a central component of Sto's sustainability goals. The workforce is also involved in works agreements through their representatives.

Sto also continued to work with employees and their representatives through works meetings and the various dialogue formats when tracking the company's performance. The findings or opportunities for improvement arising from the company's performance are identified through the various dialogue formats.

Methodologies and assumptions

How the metrics on working conditions were methodically collected and analysed is described below. In doing so, the company refers to employment relationships, working conditions, the number of employees and labour force and their characteristics as well as the resulting employee fluctuation and the key figures recognised from the health and safety management system.

Sto's employees include directly employed full-time and part-time staff, managing directors, trainees, and working students. In addition to employees, data on the labour force also includes workers provided by third-party companies, such as self-employed persons and external skilled workers who cover seasonal additional requirements.

All key figures reported in connection with the standard ESRS S1 'Own workforce' were collected in January 2026 for the 2025 financial year and subjected to a content-related audit with limited assurance by the auditor. Validation by an external third party is not available.

ESRS S1 Own workforce

S1-6 Characteristics of the undertaking’s employees

Employees by type of contract, broken down by country, who account for at least 10 % of the company’s total number of employees (Sto Group)

The data on the number of employees by contract type, broken down by the number of employees by country, was taken from the HR systems used to manage employees. The data is given in terms of the number of people and was collected as at the reference date of 31 December 2025. When compiling the data, only countries in which at least 50 employees work for Sto and at the same time employ at least 10 % of the Sto Group’s total number of employees were taken into account. According to these criteria, only employees in Germany are recognised.

As at 31 December 2025, the Sto Group employed a total of 5,482 employees worldwide (previous year: 5,599). A breakdown of the number of employees by country and gender can be found in the following tables.

The most representative figure of 5,482, based on the number of employees, can be found in the consolidated

annual financial statement of the Sto Group (IFRS) in the Group segment reporting.

The corresponding table shows that Germany is the only country with employees accounting for at least 10 % of the company’s total workforce. There are 10 on-call employees in the Sto Group without guaranteed working time. They are not part of the Sto Group’s total number of employees.

Fluctuation

Group companies report how many employees have joined or left the respective company. The fluctuation rate is determined by the employee fluctuations in the year under review in relation to the average number of permanent employees (determined on a monthly basis). Employee fluctuation takes into account terminations by both the employee and the employer, retirement, and the death of employees. Employee fluctuation is stated in terms of the number of persons and was recorded as at the reporting date of 31 December 2025.

In the 2025 financial year, a total of 657 employees (previous year: 693) left the Sto Group. This corresponds to a fluctuation rate of 12.59 % (previous year: 12.98 %). As at the reporting date, the Sto Group did not record any mass redundancies or major job cuts.

Employees by type of contract, broken down by country, who account for at least 10 % of the company’s total number of employees, as at 31 December 2025 (Sto Group).

	Germany		In total	
	2025	2024	2025	2024
Number of employees (number of persons)	3,003	3,100	5,482	5,599
Number of employees with permanent employment contracts (number of persons)			5,147	5,266
Number of employees with fixed-term contracts (number of persons)			335	333

Fluctuation

Total fluctuation	2025	2024
Total number of employees who left the company during the reporting period	657	693
Fluctuation rate (%)	12.59	12.98

Employees by type of contract, broken down by gender

	Female		Male		Other		Not specified		In total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees (number of persons)	1,367	1,402	4,115	4,197	-	-	0	0	5,482	5,599
Number of employees with permanent employment contracts (number of persons)	1,291	1,321	3,856	3,945	-	-	0	0	5,147	5,266
Number of employees with fixed-term contracts (number of persons)	76	81	259	252	-	-	0	0	335	333

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S1-8 Collective bargaining coverage and social dialogue

The data on collective bargaining coverage is based on a query of Group companies conducted as at the reference date of 31 December 2025. They include the number of employees covered by collective agreements. For the recognition of the overall percentage, the Group companies are asked whether they have employee representatives and how many employees are represented by them. The responses are aggregated at Group level and the rate is calculated.

At Sto SE & Co. KGaA and selected Group companies, working and employment conditions for employees who have a direct employment relationship with companies in the Sto Group are also defined by collective agreements. Workers who are not covered by the collective bargaining agreement, for example senior executives, were not included in the employees covered by the collective bargaining agreement, even if parts of the collective bargaining agreement regulations, such as standard working hours, apply to them.

When compiling the data, only countries in which Sto has at least 50 employees accounting for at least 10 % of the company's total number of employees were taken into account. According to these criteria, only employees in Germany are listed.

In the 2025 financial year, 71.3 % of all employees in the Sto Group were covered by collective agreements (previous year: 70.7 %). However, there are no agreements within the Group regarding the representation of employees by a European Works Council, a Societas Europaea (SE) or a Societas Cooperativa Europaea (SCE).

Coverage by collective agreements and workers' representatives is presented in tabular form. In Germany, 88.0 % of the Sto Group's employees are covered by collective labour agreements (previous year: 88.0 %). The overall percentage of employees in Germany covered by workers' representatives is 99.1 % (previous year: 99.1 %).

The Sto Group has several collective agreements in the European Economic Area. 82.3 % of employees in the European Economic Area are covered by collective agreements (previous year: 82.2 %).

S1-9 Diversity metrics

Gender distribution at the top management level

Gender distribution at the top management level as at 31 December 2025

	Female		Male		Other		In total	
	2025	2024	2025	2024	2025	2024	2025	2024
1st Management level								
Gender distribution (number)	1	0	6	6	-	-	7	6
Gender distribution (in %)	14.3	0.0	85.7	100.0	-	-	100.0	100.0
2nd Management level								
Gender distribution (number)	2	2	50	47	-	-	52	49
Gender distribution (in %)	3.8	4.1	96.2	95.9	-	-	100.0	100.0

The top management level in the Sto Group is made up as follows:

First management level: Members of the Management of Sto SE & Co. KGaA

Second management level: division heads and heads of sales regions at Sto SE & Co. KGaA and managing directors of the subsidiaries

Distribution of employees by age group

	2025	2024
Share of employees under 30 (in %)	13.6	13.9
Share of employees aged between 30 and 50 (in %)	46.0	46.4
Share of employees over 50 (in %)	40.4	39.7

S1-14 Health and safety metrics

Occupational safety

The Sto Group is responsible for protecting employees and the labour force and for creating a safe and healthy working environment in accordance with applicable international standards. To implement this in the best possible way, the Group monitors incidents within the workforce using health and safety management systems. The aim is to review the number of work-related injuries and illnesses and, if necessary, implement actions to reduce these incidents.

In order to determine how many employees within the Sto Group are covered by a health and safety management system, a query is conducted at the Group companies. This was carried out for the 2025 financial

year. The data is then summarised and the percentage calculated at Group level. The same method is used to determine the number of accidents at work and the total number of days lost and work-related fatalities. Employees are defined as those who are directly employed by the Sto Group.

In the 2025 financial year, 99.6 % of the Sto Group's employees (previous year: 99.5 %) were covered by the health and safety management system. A total of 96 work-related accidents subject to reporting obligations were registered (previous year: 81), resulting in a rate of 11.66 work-related accidents per 1,000,000 hours worked (previous year: 9.54). No deaths related to work-related injuries and illnesses were recorded.

The following table provides a breakdown of the figures shown. For the reporting year 2025, the Sto Group only collected data for employees. The fatalities also include the workers in the value chain at the Sto Group's locations.

Occupational safety			
	2025	2024	
Management system for health and safety			
Percentage of the company's employees covered by the company's health and safety management system based on statutory requirements and/or recognised standards or principles	99.6	99.5	
Number of deaths attributable to work-related injuries and illnesses			
Total number of deaths (employees)	0	0	
Total number of fatalities (Workers in the value chain)	0	0	
Number and rate of reporting obligations for accidents at work			
Reporting obligations for accidents at work (employees)	96	81	
Rate of reporting obligations for accidents at work (employees)	11.66	9.54	

S1-16 Compensation metrics (pay gap and total compensation)

Remuneration

The data on remuneration comes from the corresponding personnel systems of the Group companies. They are transmitted to Sto SE & Co. KGaA together with the number of employees and their characteristics. These are actual figures. No estimates or projections are made by the Sto Group. The number of employees is also stated in terms of the number of persons and is reported as at the reporting date of 31 December 2025.

All salary components, such as basic salary, bonuses received, or benefits in kind, were taken into account when calculating the key figures in connection with remuneration. The average hourly wage was calculated

on the basis of an employee's target working time in order to avoid misstatement due to paid holidays. Paid overtime has been supplemented accordingly. The data originates from the HR systems and was recognised and merged at the subsidiaries.

The gender pay gap shown is unadjusted. The pay gap is therefore mainly due to the fact that management positions in the Sto Group are predominantly held by men, also due to the nature of the industry. The gender pay gap is therefore not meaningful.

Sto pursues the global goal of paying equal pay for equal work regardless of gender. A high level of collective bargaining coverage guarantees that people in the different pay groups do not experience any gender-specific disadvantages.

Remuneration

	2025	2024
Remuneration		
Ratio of the annual total remuneration of the highest-paid individual to the median annual total remuneration of all employees	15.1	9.6
Pay gap (gender-specific)		
Difference between the average income of female and male employees, expressed as a percentage of the average income of male employees	15.3	15.1

When calculating the median annual total remuneration, the total remuneration of the highest-paid individual was not incorporated. The Executive Board of STO Management SE was not included due to the company's legal structure.

S1-17 Incidents, complaints and severe human rights impacts

Incidents/complaints related to human rights and total amount of fines, sanctions and payment of damages resulting from incidents and complaints

The data on incidents and complaints as well as fines, sanctions and compensation payments in connection with human rights were collected from the Group companies and collated. In addition, all cases reported via the reporting system were analysed. When merging the data, any double counting was eliminated. The survey was conducted for the 2025 financial year.

There is no tolerance for discrimination, including harassment, in the Sto Group. Accordingly, reported cases are followed up immediately in order to resolve them as quickly as possible.

ESRS S1 Own workforce

Incidents/complaints related to human rights

	2025	2024
Total number of cases of discrimination including harassment reported during the reporting period	1	3
Number of complaints submitted through the channels available to the company's employees to express their concerns	0	0
Number of complaints filed with the OECD National Contact Points for Multinational Enterprises by the company's own workforce	0	0
Number of serious human rights violations and incidents involving the company's workforce	0	0
Number of serious human rights violations and incidents involving the company's workforce that violate the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises	0	0

There were no convictions or fines for human rights-related incidents or complaints in the year under review. Therefore, there is no reconciliation of the cash amounts disclosed to the most meaningful amount disclosed in the financial statements.

Total amount of fines, sanctions and compensation payments resulting from incidents and complaints

	2025	2024
Total amount of fines, sanctions and compensation payments resulting from incidents and complaints in EUR	0	0
Total amount of fines, penalties and compensation payments for human rights incidents involving the company's workforce in EUR	0	0

ESRS S2 Workers in the value chain

5.1. Strategy

SBM-2 Interests and views of stakeholders

These disclosures are reported in Chapter 1 (ESRS 2).

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

Sto has analysed the interactions with the sustainability matters in order to assess the material impacts, risks and opportunities and their interaction with the strategy and the business model in the area of 'Workers in the value chain'.

The area 'Workers in the value chain' comprises the three sub-topics 'Working conditions of employees in the value chain', 'Equal treatment and opportunities for all employees in the value chain' and 'Other work-related rights of employees in the value chain'.

A detailed explanation of the approach and methodology as well as the materiality assessment can be found in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other report disclosures that require reference to the material impacts, risks and opportunities are presented at the level of sustainability matters.

With regard to the standard ESRS S2 'Workers in the value chain', Sto identified various material impacts as part of the materiality assessment, but no material opportunities and risks. Needs for adjustments to the business model were identified from the analysis of impacts.

Workers in the value chain at Sto also include workers who work at the company's locations but are not part of its workforce. Among others, this includes employees who work in the silo washing plant. These are neither self-employed persons nor employees provided by third-party companies. They belong to a company that is associated with Sto SE & Co. KGaA, as Sto has a significant influence on its business and financial policy. In addition, the value chain workforce also includes workers who work for companies in the upstream and downstream value chain. All workers in the value chain that are likely to be affected by material impacts of the company are covered by the disclosures according to ESRS 2. Impacts related to the company's own business activities, value chain, products or services and business relationships are incorporated.

Working conditions of employees in the value chain

In connection with the area of 'Workers in the value chain', the actual positive impact

- 'Employees in the value chain have the assurance that Sto respects the warranty of occupational safety'

was identified. The impact results from the sustainability strategy. It can be attributed to the endeavours and actions associated with the general objective of 'Upholding and protecting human rights' as well as the company-related core objectives '100 % recognition/sign-off from all relevant suppliers of the Supplier Code of Conduct and risk assessment of these (Tier 1 and relevance)' and 'No convictions related to compliance' from the 'Transparency and social responsibility' field of action. It also influences policy. The implementation of the strategy also has an impact on the value chain, as it places demands on suppliers.

A potentially negative impact is:

- 'Employees in the upstream value chain face potential dangers in terms of occupational safety'.

This impacts the situation of workers in the upstream value chain. It is linked to and results from Sto's business model. It therefore influences the strategy and the business model and leads to its adjustment. It can be attributed to the endeavours and actions associated with the general objective of 'Upholding and protecting human rights' as well as the company-related core objectives '100 % recognition/sign-off from all relevant suppliers of the Supplier Code of Conduct and risk assessment of these (Tier 1 and relevance)' and 'No convictions related to compliance' from the 'Transparency and social responsibility' field of action. Various plan adjustments and actions have been taken to minimise or prevent the negative impacts.

Sto's activities lead to a material positive impact with regard to the sustainability matter 'Working conditions of employees in the value chain'. Various measures for occupational safety implemented by Sto at suppliers contribute to the material positive impact. They include dialogue with suppliers and the obligation to provide verification of occupational safety and, where applicable, binding agreements. In addition, the 'Supplier Code of Conduct' is intended to contribute to the protection of the workforce and respect for human rights. By signing this document, suppliers commit to comply with

ESRS S2 Workers in the value chain

it. In addition, Sto promotes the further development of suppliers by recognising certain certificates. Further preventive measures are planned to reduce the risk of working time violations in the value chain. These preventive measures include the expansion of supplier evaluation and supplier dialogues using specific IT-based platform solutions.

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

The following potential negative impacts were identified in the materiality assessment as part of the sustainability matter 'Equal treatment and opportunities for all employees in the value chain':

- 'Employees in the value chain are potentially affected by risks relating to equal treatment and discrimination'.

This impact is not directly linked to or results from Sto's business model, as the impact on the situation of the workers in the value chain is not directly caused by Sto's business practices. The impact can be attributed to the general objective of 'Upholding and protecting human rights' as well as the company-related core objectives '100 % recognition/sign-off from all relevant suppliers of the Supplier Code of Conduct and risk assessment of these (Tier 1 and relevance)' and 'No convictions related to compliance' from the 'Transparency and social responsibility' field of action. Various adjustments and actions are taken to mitigate or prevent this.

The negative impacts associated with workers in the value chain occur in the context of individual incidents. To prevent systematic incidents, Sto uses the IntegrityNext platform, through which suppliers with potential risks are surveyed on relevant topics using standardised questionnaires. IntegrityNext is a platform that aims to achieve positive effects in the supply chain by providing insights into suppliers' sustainability performance using various applications and tools.

In addition, a final risk assessment is used to agree on further actions if necessary.

Based on the formulation of the material impacts, it is clear that Sto has developed an understanding of the extent to which workers in the value chain with certain characteristics may be more affected by them. This applies in particular to workers in the value chain who work in a certain environment or carry out certain activities.

There is no significant risk of child or forced labour in Sto's supply chain. Sto is not one of the industries under observation by IntegrityNext in this regard. Although Sto has locations and subsidiaries in countries with an increased risk of child or forced labour, a detailed analysis in accordance with the Act on Corporate Due

Diligence Obligations in Supply Chains shows that there is no significant such risk with regard to Sto's operations.

Other work-related rights of employees in the value chain

No material impacts, opportunities, or risks were identified for this sustainability matter.

5.2. Management of impacts, opportunities, and risks

S2-1 Policies related to workers in the value chain

The following policies are primarily aimed at and fully cover the upstream workers in the value chain. Workers in the upstream value chain were identified as being particularly affected in the course of the materiality assessment.

Policies related to working conditions of employees in the value chain as well as equal treatment and opportunities for all employees in the value chain:

Sto applies the 'Supplier Code of Conduct' policy to manage the material impacts of the sustainability matters of 'Working conditions for employees in the value chain' and 'Equal treatment and opportunities for all employees in the value chain'.

Sto uses the 'Supplier Code of Conduct' to define the requirements for responsible business practices, human rights and labour standards. Through this Code of Conduct for suppliers, Sto obliges its business partners not to restrict the access to adequate food, clothing, water and sanitary installations in the workplace and to comply with internationally recognised occupational safety standards. In addition, the Supplier Code of Conduct explicitly mentions and prohibits forced labour and child labour. There is an explicit ban on modern slavery, including human trafficking. The 'Supplier Code of Conduct' is in line with the applicable ILO standards. It does not contain any provisions that address uncertainties or precarious employment relationships. In accordance with the Minimum Disclosure Requirement of ESRS 2, the policy is presented in more detail in the Disclosure Requirement disclosure in Chapter 7 (ESRS G1). Workers in the value chain were not directly incorporated into the drafting of the Supplier Code of Conduct.

Policies related to Equal treatment and opportunities for all employees in the value chain:

Sto applies the 'Policy statement on Human Rights' policy specifically for managing the negative impacts of the sustainability matter 'Equal treatment and opportunities for all employees in the value chain'.

In the 'Policy statement on Human Rights', Sto undertakes to draw up a roadmap for greater transparency and social responsibility in procurement. Sto already

carries out standardised risk analyses for direct suppliers. In 2026, information on the sustainability of suppliers is to be consistently available in the procurement systems and the risk-assessed share of raw materials is to be procured from sources that can demonstrate a responsible approach to human rights, labour standards, and transparency. In accordance with the Minimum Disclosure Requirement of ESRS 2, the 'Policy statement on Human Rights' has already been presented as part of the Disclosure Requirement in Chapter 4 (ESRS S1). The 'Policy statement on Human Rights' prohibits all forms of slavery, including human trafficking.

As described in Chapters 4 (ESRS S1) and 7 (ESRS G1), Sto is committed to complying with the 'Policy statement on Human Rights' and the 'Supplier Code of Conduct'. The human rights of employees in the value chain are taken into account by the 'Policy statement on Human Rights' and the 'Supplier Code of Conduct'.

In 2025, no cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises were reported at Sto. The information on reported cases relates to workers in the value chain upstream and downstream.

In cases where the company's business activities cause or contribute to actual human rights violations, Sto is under obligation to implement effective remedies. Possible actions to remedy human rights violations include changing suppliers, dialogue formats, agreements on improvement measures and cooperation with authorities and non-governmental organisations. Sto consults the 'Human Rights and Business Dilemmas Forum' at UN Global Compact, among others.

Through the implementation of the annual risk analysis, actions have been defined in Purchasing in the event that a supplier poses a potential risk to respect for human rights. Sto endeavours to prevent negative impacts and provide remedies for negative impacts on human rights by conducting surveys and awareness training at suppliers and requesting appropriate certificates.

Workers in the value chain can also use the reporting system to report possible or actual violations of human rights, enabling remedy in the event of negative impacts on human rights.

In 2023, Sto developed a centralised purchasing strategy in order to systematically implement the targets defined in the Group strategy. One key component is the consideration of sustainability matters, particularly with regard to the Act on Corporate Due Diligence Obligations in Supply Chains. Sto intends to establish

and implement this policy throughout Europe over the next few years.

S2-2 Processes for engaging with workers in the value chain about impacts

At Sto, transparency and social responsibility begin at procurement. Long-standing cooperation with the most important suppliers and active procurement management ensure security of supply at all of the Group's production facilities. Through annual meetings with suppliers, on-site meetings and, if necessary, negotiation meetings, Sto gains insights into the views of particularly vulnerable workers in the value chain. Purchasing works primarily with the respective sales representatives of suppliers and business partners. As a result, Sto does not directly involve workers in the value chain and their views in its activities and decisions. The effectiveness of cooperation with workers in the value chain is assessed, for example, through on-site visits to suppliers. Workers in the value chain are also involved through various dialogue formats:

Workshops and seminars

Workshops and seminars are organised on an ad hoc basis and often as part of association activities. This is a combination of information, consultation and feedback.

There is no direct engagement in concrete decisions. The feedback and findings are indirectly incorporated into decisions and development planning, for example with regard to avoiding risks in procurement.

Supplier surveys and evaluations

Supplier surveys and evaluations are conducted digitally on an ongoing basis and in person as part of annual and negotiation meetings. This is a combination of information, feedback, target agreement and development planning.

Direct engagement in concrete decisions is sometimes carried out as part of annual and negotiation meetings.

Use of and awareness of supplier platforms

Sto continuously focuses on the sensitisation and use of supplier platforms. This is a form of information, sometimes also consultation and feedback.

There is no direct engagement in concrete decisions. The information and findings are incorporated into the supplier evaluation and associated development planning.

Close and regular dialogue on the 'Supplier Code of Conduct'

A close and regular exchange on the Supplier Code of Conduct is implemented through the obligation to recognise the Supplier Code of Conduct as part of annual meetings and on an ad hoc basis when the code

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is revised. In it, Sto demands that its suppliers uphold freedom of association and respect human rights in the supply chain. It also calls for workers in the supply chain to be paid adequately. The exchange is a combination of information, consultation and feedback.

There is no direct engagement in concrete decisions. The information and feedback flow into development planning.

The Materials Management department and Chief Technology Officer of STO Management SE, in cooperation with the Compliance and Sustainability departments, bear operational responsibility for ensuring that workers in the value chain are involved and that the results from their engagement are incorporated into the corporate concept.

Sto also educates itself about risks and working conditions in the supply and value chain through specialist seminars and associations of which Sto is a member.

S2-3 Processes to remediate negative impacts and channels for workers in the value chain to raise concerns

The remedies in the event of actual material negative impacts are implemented using an ActionPlanner. The effectiveness of the remedies is reviewed again at the latest in the course of the annual risk analysis. In addition, Sto is under obligation to implement effective remedies if its business activities cause or contribute to actual human rights violations. Workers in the value chain can address their concerns or needs as well as negative impacts directly to Sto via the reporting system. These comments and concerns are carefully reviewed and addressed as part of the process. Workers in the value chain can access the reporting system directly via the Sto website or using a QR code in the 'Supplier Code of Conduct'. The reporting system is communicated both internally and externally, for example via the Sto website, to ensure widespread awareness. One material aspect of the system is the protection of whistleblowers. Accordingly, reports and information can also be submitted anonymously. The tracking and monitoring of issues raised and addressed and ensuring the effectiveness of the reporting system is described in Chapter 7 (ESRS G1). As Sto mainly sells its goods directly and strives to maintain a partnership-based relationship with its suppliers, there is close personal contact with customers and suppliers. A high level of trust in Sto's structures can therefore be assumed.

The way in which problems that have been raised and addressed is tracked and monitored, as well as how the effectiveness of the reporting system is assured, is discussed in detail in Chapter 7 (ESRS G1). Among other things, it describes the engagement of the intended target users and stakeholders and explains the process

for improvement of negative impacts and the channels through which workers in the value chain can raise concerns.

S2-4 Taking action on material impacts on workers in the value chain, and approaches to managing material risks and pursuing material opportunities related to workers in the value chain, and effectiveness of those actions

Actions related to working conditions of employees in the value chain:

Sto has taken the following actions to manage the material negative impacts of the sustainability matter 'Working conditions of employees in the value chain' and to promote the positive impacts of this sustainability matter.

Risk management system for materials management

The materials management risk management system is crucial for compliance with the targets of the Supplier Code of Conduct. It enables potential risks at suppliers to be recognised at an early stage. As soon as these are identified, the lead buyer and the Procurement Excellence department take appropriate actions and monitor the supplier concerned.

In 2023, Sto expanded the company-wide risk management system for materials management in order to better recognise adverse impacts on human rights in the supply chain and environmental risks. A new process for the annual external risk analysis was implemented, which enables a more comprehensive and precise assessment of risks. This further strengthens transparency and social responsibility in the supply chain. The scope of these actions relates to human resources and IT costs and concerns the geographical areas of all suppliers that are recognised centrally at Sto SE & Co. KGaA. They include the upstream supply chain, whereby standardised risk analyses are carried out at Sto's direct suppliers. The company-wide risk management system for materials management is an important building block in the implementation of the Act on Corporate Due Diligence Obligations in Supply Chains and has been continuously expanded since 2024. It is to be maintained permanently in order to ensure a sustainable and responsible supply chain. Sufficient financial and human resources have been made available for these actions. Sto did not incur any significant operating expenses for these actions.

Sto's materials management's risk management system is used to prevent or detect and subsequently mitigate material impacts on workers in the value chain. Sto uses the annual risk analysis to determine which actions are necessary and appropriate to respond to certain actual or potential negative impacts on workers in the value

chain. Procedures such as Corporate Risk Management and Supply Chain Risk Management, which were more closely interlinked in 2024 and additionally aligned with the requirements derived from the Act on Corporate Due Diligence Obligations in Supply Chains, also contribute to this. Supplier surveys and evaluations are also carried out. The effectiveness of the actions implemented and monitored using an ActionPlanner can be tracked at the latest with the new annual risk analysis.

An annual risk analysis is also carried out in purchasing. Suppliers are scrutinised during this analysis of purchasing practices. If risks are identified, appropriate actions are initiated and monitored. The action was continued in the year under review and no particular progress was made.

Sto also obliges its business partners and direct suppliers to comply with the 'Supplier Code of Conduct' and its data protection regulations. The aim is to prevent our own practices from having or contributing to material negative impacts on workers in the value chain.

Sto is in regular dialogue with its direct suppliers. In addition to workshops and seminars, supplier surveys, audits and assessments are also carried out in order to achieve further material positive impacts and avoid negative impacts. There are no known serious problems or incidents relating to human rights affecting workers in the value chain.

Sto considers mitigating possible actual and potential negative consequences for workers in the value chain by terminating business relationships or taking appropriate actions. There were no specific events in the year under review. Similarly, there are currently no concrete motives to reduce negative impacts by terminating a business relationship.

Actions related to Equal treatment and opportunities for all employees in the value chain:

Sto is unable to provide any information on actions required in connection with the 'Equal treatment and opportunities for all employees in the value chain' sustainability matter, as no actions have been applied beyond the Supplier Code of Conduct in relation to the management of material impact in relation to workers in the value chain. Sto has not currently implemented any specific actions in this sustainability matter, as the scope for evaluation and influence is estimated to be low. The intention is to develop and implement appropriate actions within a period of two years as part of the expansion of the platform-based supplier evaluation.

5.3. Key figures and targets

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Targets related to working conditions of employees in the value chain and equal treatment and opportunities for all employees in the value chain:

Sto has set two targets for the management of Sto's material positive and negative impacts in connection with the sustainability matters of 'Working conditions for employees in the value chain' and 'Equal treatment and opportunities for all employees in the value chain'.

Information on the sustainability of suppliers and responsible sources of raw materials

Sto's goal is to consistently have information on suppliers' sustainability in its procurement systems, and to source the risk-assessed share of raw materials from suppliers that can demonstrate responsible practices in the areas of human rights, labour standards, transparency, and the fight against corruption. This target is directly related to Sto's strategic purchasing targets and is in line with the company's objectives.

The target level has been set that Sto's procurement systems consistently include information on the sustainability of suppliers and that the risk-assessed share of raw materials is procured from sources that can demonstrate a responsible approach to human rights, labour standards, transparency, and the fight against corruption. The target is an absolute target.

The scope of the target covers the activities of the entire Sto Group. The reference value was set as 100 % and the reference year for measuring progress was set as the year under review. The target is to be achieved annually.

The methods and significant assumptions used to set the targets include combining the assessment data with the information on suppliers from IntegrityNext. The target is based on the requirements of the Act on Corporate Due Diligence Obligations in Supply Chains and UN Global Compact. This is in line with national and international political and social targets. The stakeholder engagement in the definition of the targets took place as part of the formulation and enactment of the aforementioned acts and principles. The target has not been changed.

The target is monitored and reviewed by the purchasing department with the support of the sustainability department. The progress is in line with the original planning.

ESRS S2 Workers in the value chain

Recognition of the 'Supplier Code of Conduct'

Another of Sto's targets is for all relevant suppliers to recognise the 'Supplier Code of Conduct' and undergo a risk assessment. It is directly related to Sto's strategic purchasing targets and in line with the company's targets.

As a target level, it was determined that all relevant suppliers must have acknowledged the 'Supplier Code of Conduct' and undergone a risk assessment (tier 1 and relevance). The target is an absolute target. The scope covers the activities of the entire Sto Group. The global roll-out of the Supplier Code of Conduct began in 2024 and progress has been made in terms of tracking in the year under review. The target is to be achieved annually.

The methods and significant assumptions used to set the targets include the recognition of the 'Supplier Code of Conduct' by the relevant suppliers. The target is based on the requirements of the Act on Corporate Due Diligence Obligations in Supply Chains and is therefore in line with national political targets. The stakeholder engagement in the definition of targets took place as part of the formulation of the 'Supplier Code of Conduct'. The target has not been changed.

The target is monitored and reviewed by the purchasing department with the support of the sustainability department. The progress is in line with the original planning.

There is no process in place for ensuring direct engagement with workers in the value chain, their legitimate representatives or credible proxies who have insight into their situation when setting targets. Sto's performance in relation to the realisation of targets is tracked through regular and ad hoc reviews. The effectiveness analysis of the Act on Corporate Due Diligence Obligations in Supply Chains is used to identify findings or opportunities for improvement arising from the company's performance.

ESRS S4 Consumers and end-users

6.1. Strategy

SBM-2 Interests and views of stakeholders

These disclosures are reported in Chapter 1 (ESRS 2).

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

In order to assess the material impacts, risks and opportunities and their interaction with strategy and business model in the area 'Own workforce', Sto has analysed its interactions with the material sustainability matters. Sto also addresses sustainability matters in the 'Consumers and end-users' area with the 'Transparency and social responsibility' field of action.

The 'Consumers and end-users' area comprises the three sub-topics 'Information-related impacts for consumers and end-users', 'Personal safety of consumers and end-users' and 'Social inclusion of consumers and end-users'.

Against this background, Sto was able to identify several material positive impacts as part of the materiality assessment. A detailed explanation of the approach and methodology as well as the materiality assessment can be found in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other report disclosures that require reference to the material impacts, risks and opportunities are presented at the level of sustainability matters.

With regard to the sustainability matters of ESRS S4 'Consumers and end-users', no material negative impacts, risks or opportunities were identified as part of Sto's materiality assessment.

The product range of the Sto brand is largely marketed via a direct distribution organisation with its own permanent employees. This system, which covers almost the whole of Germany, is aimed at professional customers such as painters, plasterers and construction companies. Architects, planning offices, and the real estate industry are also served directly. The target groups mentioned could primarily be affected by impacts in connection with the company's own business activities, value chain, products or services and business relationships.

The Sto Group's policy is to design products in such a way that they are not harmful to People and do not

increase the risk of chronic diseases. The majority of the product range poses no risk to end users. When used properly, the products pose no risk to the application or end-users. Certain concrete repair and floor coating products may have special hazard characteristics and therefore require appropriate actions for safe use. These products are only supplied to professional users who have been trained to handle such substances.

Sto does not market any products without corresponding data sheets, documents or emission measurements (the latter only for indoor products). The Safety Data Sheets for Sto products contain all information relevant to health protection. For allergy sufferers, Sto provides detailed information on ingredients and corresponding product recommendations based on an allergy passport.

Sto's services have no potential negative impacts on the right to privacy, the protection of personal data, the right to freedom of expression and non-discrimination. Sto does not target particularly vulnerable people such as children or financially vulnerable people.

Information-related impacts for consumers and end-users

The following positive impact was identified in connection with the 'Consumers and end-users' area:

- 'Compliance with data subjects' rights and processing only with a legal basis'.

The fulfilment of data subjects' rights and the processing of data only on a legal basis ensures that the personal data of consumers and end-users is respected and protected. This strengthens trust in the company's data protection.

The aforementioned positive impact has a material impact on the strategy and can be understood as a consequence of the endeavours and actions associated with the company-related objective 'No convictions related to compliance' from the 'Transparency and social responsibility' field of action.

Personal safety of consumers and end-users

As part of the materiality assessment, the positive impact of

- 'Customers/end-users can obtain comprehensive information about the product/service, including hazard warnings (e.g. Sto websites, Safety Data Sheets)'

ESRS S4 Consumers and end-users

was identified. This covers the provision of safety-relevant quality information such as safety guidelines, performance data, the protection of consumer data protection rights in the company's own operations and downstream in the value chain, as well as enabling customers to express their opinions (by providing platforms for exchange and channels for complaints). This positive impact reinforces the strategic direction in this area and emphasises its importance. The impact also results from the endeavours and actions associated with the general objective 'Ensuring that product labels (eco-labels) are in place' and the product-related targets '100 % of our products have at least one eco-label (Environmental Product Declaration, Sustainability Data Sheet)' and 'Sourcing our raw materials from certified responsible sources' from the 'Transparency and social responsibility' field of action.

Another positive impact

- 'Comprehensive actions are taken to ensure the safety and health of users and end-users (direct distribution to professional applicators)'

was identified. This includes the comprehensive and effective safety protection of users and end-users of Sto products. One of the ways in which this is done is by selling certain products to professional applicators only. Direct distribution to professional applicators are one of the strategic decisions, which is why this impact is also linked to Sto's strategic direction. This impact results from the endeavours and actions associated with the general objective 'Ensuring that product labels (eco-labels) are in place' from the 'Transparency and social responsibility' field of action, as well as the general objective 'Offer products that have been tested and are not harmful to health' and the product-related objective 'Consistent reduction and avoidance of the use of substances harmful to health' from the 'Health and well-being' field of action.

Craftsmen, especially painters and plasterers, who work with Sto products are affected by all the material positive impacts.

Social inclusion of consumers and end-users

No material impacts, opportunities, or risks were identified for this sustainability matter.

6.2. Management of impacts, opportunities, and risks

S4-1 Policies related to consumers and end-users

Sto has established the following policies to promote the material positive impacts in terms of consumers and end-users.

Policies related to information-related impacts for consumers and end-users:

Sto applies the policies of 'Labelling and traceability of products', 'Preparation of a Sustainability Data Sheet (SDS)', and 'Data Protection Policy' to manage the actual positive impact of the 'Information-related impacts for consumers and end-users' sustainability matter. The 'Labelling and traceability of products' includes ensuring the identifiability and traceability of products by labelling the packaging or by suitable alternative measures, such as accompanying documents that can be clearly allocated. Traceability is assured by documenting the materials and raw materials used as well as the date/time/circulation in the daily production log.

Sto applies the policies of 'Labelling and traceability of products', 'Preparation of a Sustainability Data Sheet (SDS)', and 'Data Protection Policy' to manage the actual positive impact of the 'Information-related impacts for consumers and end-users' sustainability matter.

The general targets of this policy are the labelling of products to identify raw materials and products in order to ensure traceability. In this way, it helps to ensure that the positive impacts identified benefit the downstream value chain. The policy itself, which applies to the entire Sto Group, addresses the company's own business area. Process-related monitoring of traceability compliance is carried out by the head of production and quality assurance, as well as the head of the business field. The activities include the identification of products during procurement, storage, production, shipping, and use through labelling or accompanying documents. Traceability is ensured by documenting the materials and raw materials used as well as the date, time, and circulation in the daily production log.

The stakeholder groups affected by the policy are customers, consumers and end-users. The purchasing, production and quality departments as well as the business field organisation and product management are responsible for this, whereby close interaction between these two areas is required. The policy is made available via internal processes and distribution channels.

The regulations on the 'Preparation of a Sustainability Data Sheet (SDS)' describe how the Sustainability Data Sheet (including an automated link to information from the Safety Data Sheet (SDS)) and the Technical Data Sheet (TDS) are prepared. The Sustainability Data Sheet provides product-specific information on compliance with the requirements of the building certification systems DGNB, LEED und BREEAM. It also contains certificates and labelling of the product as well as information on ingredients, emissions, and the carbon footprint (CO₂e value), in addition to information on disposal, reuse, and recycling. General information on corporate responsibility is also provided. The general

targets are the regulation of the commissioning and creation of a Sustainability Data Sheet for Sto products. In this way, the policy helps to ensure that the positive impacts identified benefit the downstream value chain. The policy itself addresses the company's own business area. Product management is responsible for the process-related monitoring of compliance. This policy applies to the Sto Group. The activities also include the creation of a Sustainability Data Sheet for purchased products that are marketed as Sto products. The stakeholder groups affected by the policy are customers, consumers and end-users. It is the responsibility of the Sustainability department and the Business Fields. The policy is made available via internal processes and distribution channels.

The 'Data Protection Policy' promotes a positive development in relation to consumers and end-users. It has already been presented in accordance with the Minimum Disclosure Requirement of ESRS 2 as part of the disclosure on the disclosure requirement in Chapter 4 (ESRS S1).

Policies related to Personal safety of consumers and end-users:

Sto uses the policies of 'Technical and logistical customer complaints' and 'Chemical ban regulation' to manage the actual positive impact in connection with the sustainability matter of 'Personal safety of consumers and end-users'.

The 'Technical and logistical customer complaints' directive describes how to deal with customer complaints and claims. The general aim is to utilise customer complaints as valuable feedback and opportunities to improve the customer relationship and customer satisfaction. In addition, financial losses and risks for the Sto Group are to be avoided through systematic preparation. Customer complaints can also be an important source for initiating actions designed to improve quality (continuous improvement process, CIP). In this way, the policy helps to ensure that the positive impacts identified benefit the downstream value chain. The policy itself addresses the company's own business area. Process-related monitoring of compliance is carried out by the sales department and the respective product managers. This directive applies to the Sto Group. The activities include the planning, implementation and monitoring of all actions taken by the company with regard to customer complaints, root cause analysis, financial assessment and other services. The stakeholder groups affected are employees, customers, consumers and end-users. This directive is the responsibility of the Sto Group's Technical Service department. The directive is made available via internal processes and distribution channels.

The application of the 'Prohibition of Chemicals Ordinance' means that within Germany the relevant products from Sto SE & Co. KGaA or StoCretec GmbH may only be supplied to resellers, professional users and public research, testing and teaching institutions. The general targets are the implementation of the 'Verordnung zur Neuregelung nationaler Vorschriften über das Inverkehrbringen und die Abgabe von Chemikalien' (ordinance on new rules and regulations concerning the placing on the market and supply of chemicals, Prohibition of Chemicals Ordinance). In this way, the policy helps to ensure that the positive impacts identified benefit the downstream value chain. It addresses the company's own business area. Process-related monitoring of compliance is carried out by the quality laboratory and product safety and, if necessary, by the competent authority. This policy applies to Sto SE & Co. KGaA and StoCretec GmbH. The activities include the issuing of affected products. The relevant stakeholder groups for the policy are customers, consumers and end-users. This is the responsibility of R&D. When the directive was created, the interests of stakeholders were taken into account by the directive being based on the legal requirements of the ordinance on new rules and regulations concerning the placing on the market and supply of chemicals (Prohibition of Chemicals Ordinance). The policy is made available via internal processes and distribution channels.

As described in Chapter 4 (ESRS S1), Sto is committed to complying with the 'Policy statement on Human Rights' and the 'Code of Conduct', which include the United Nations Guiding Principles on Business and Human Rights. The 'Policy statement on Human Rights' and the 'Code of Conduct' also take into account the human rights of customers and end consumers.

These policies refer to the right to physical integrity, which is anchored as a human right in various constitutions and international treaties. They are also in line with internationally recognised instruments for the evaluation of chemicals, hazardous materials, and building products that are relevant to consumers and end-users, in particular REACH, the European Chemicals Directive for the Registration, Evaluation, Authorisation, and Restriction of Chemicals, as well as product and building certification systems such as LEED, DGNB, BREEAM, Der Blaue Engel, and TÜV-SÜD for the evaluation of building products.

In 2025, no cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multi-national Enterprises involving consumers and end-users were reported in Sto's downstream value chain.

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S4-2 Processes for engaging with consumers and end-users about impacts

Consumers and end-users' views are taken into account and strengthened at Sto through various actions. To identify and incorporate these, Sto uses various dialogue methods:

Training and customer seminars

Training and customer seminars are held regularly. This is a combination of information, consultation and feedback.

There is no direct engagement in concrete decisions. The feedback from participants is incorporated into development planning, particularly with regard to product developments.

Customer relationship management

Customer relationship management is carried out on an ongoing basis. This is a combination of information, feedback, target agreement and development planning.

Direct engagement in concrete decisions takes place within the framework of individual business relationships. Feedback is also incorporated into development planning, particularly with regard to product developments and service offerings.

Customer satisfaction surveys

Customer satisfaction surveys are conducted on a regular basis. This is a combination of information and feedback.

There is no direct engagement in concrete decisions. The feedback flows indirectly into development planning, particularly with regard to service offerings.

Dialogue with architects, planners, and real estate investors

Dialogue with architects, planners, and real estate investors takes place on a regular basis. This is a combination of information, consultation and feedback.

Direct engagement in concrete decisions takes place within the framework of individual business relationships. Feedback is also incorporated into development planning, particularly with regard to product developments and service offerings.

Simple, understandable communication materials, some of which are organised according to specialist topics

The communication materials are created on an ongoing basis. This is a form of information. These easy-to-understand communication materials, some of which are organised according to specialist topics, are made available online via the Sto website, social media channels, and newsletters. Offline, there are customer

magazines such as 'StoProfi Info' (for specialist tradespeople), '[ark]' (global architects' magazine), and 'we werde entwickeln' (customer magazine for the housing industry). There is no direct engagement in concrete decisions.

Specific product information

Customers can obtain specific product information (Sustainability Data Sheets, EPDs, eco-labels, product brochures with benefit arguments) via the Sto website and on request. This is a form of information, in some cases also of consultation. There is no direct engagement in concrete decisions.

In addition to these dialogue formats, Sto enables consumers and end-users to interact with the company at any time. This is to ensure that the needs of the consumer are fully taken into account. Engagement can take place in different ways and in different development or project phases. It can take place once at the beginning of a project, when customers express their wishes and ideas for product improvements, or at the end, when feedback is gathered on a new product. In addition, engagement can also take place regularly as part of a joint project. Consumer and end-user perspectives are incorporated into decisions and activities in order to address the actual and potential impacts on them.

The actions also include cooperation with associations and consumer protection organisations such as the Verbraucherzentrale (consumers' organisation) and conducting customer satisfaction surveys. In addition, there is a continuous exchange on the requirements and needs of consumers through direct contact and cooperation. To date, Sto has not taken any specific steps to gain insights into the views of consumers and end-users beyond the core target group.

Operational responsibility for the engagement of consumers and end-users lies with various members of the Executive Board of STO Management SE, which also ensures that the results from the engagement are incorporated into Sto's corporate strategy. The effectiveness of these actions is not explicitly evaluated.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Consumers and end-users have a wide range of options for expressing their concerns or having them examined. General contact options include the Sto website including the reporting system, social media channels, e-mail, telephone, and postal address. The contact options were set up directly by the company. Consumers and end-users also have access to 24-hour emergency information on products. Customers can also benefit from direct contact with sales staff. In addition,

regular customer satisfaction surveys are conducted in order to directly recognise the needs and concerns of consumers.

These comprehensive contact options ensure that the concerns and needs of consumers and end-users can be brought to Sto at any time and in various ways.

In the EU, Sto has a statutory obligation to process data protection incidents within 72 hours, which further contributes to the security of customer-related data. No special channels are required to report such cases; instead, generally available communication channels such as websites, e-mail, social media channels, WhatsApp in some cases, and direct dialogue in the context of business relationships are used.

Consumers and end-users also have the opportunity to report their concerns via the Sto website using the reporting system.

The reporting system is communicated both internally and externally, for example via the Sto website, to ensure widespread awareness. One material aspect of this system is the protection of whistleblowers, which is why reports and tips can also be submitted anonymously. As Sto mainly sells its products directly, it maintains close personal contact with its customers. A high level of trust in Sto's structures can therefore be assumed.

The way in which problems that have been raised and addressed are tracked and monitored, and how the effectiveness of the reporting system is assured, is discussed in detail in Chapter 7 (ESRS G1). Among other things, it also describes how the concerns raised and addressed are pursued and monitored.

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Actions related to Information-related impacts for consumers and end-users and personal safety of consumers and end-users:

The following actions were taken by Sto to promote the actual positive impacts of the sustainability matters 'Information-related impacts for consumers and end-users' and 'Personal safety of consumers and end-users'.

Certified quality

Through continuous analysis and external monitoring of the products, Sto ensures that applicators and users always receive tested quality and safe goods. Any potentially harmful substances and hazardous materials are indicated transparently in Safety and Sustainability

Data Sheets as well as Environmental Product Declarations. Many products are certified according to recognised eco-labels. They confirm that the impact of raw materials or emissions on health and the environment is either ruled out altogether or reduced to a minimum. A large part of the Sto interior product range carries the TÜV certificate awarded by TÜV-SÜD – 'low-emission, physiologically harmless, and production monitored' – or has been tested for harmful substances in accordance with Oeko-Tex® Standard 100. In addition, numerous interior products are natureplus®-certified and therefore fulfil the strictest criteria in terms of composition, substance prohibitions, emissions, raw material extraction, pre-product manufacturing, production and application. In France, Sto interior products are all labelled with the French VOC label 'Émissions dans l'air intérieur'. For the Swiss market, they are also labelled with the eco-label of the Swiss Stiftung Farbe (Paints Foundation). These actions contribute to achieving the corporate target of 'Interiors portfolio tested for emissions' and pay into the 'Health and well-being' field of action of the sustainability strategy. The scope of the actions relates to human resources and costs for testing and certification processes and extends globally, including our own operations and the downstream supply chain. It is planned to maintain these actions on a permanent basis. No notable progress was made in this action in the year under review. Actions are financed by providing sufficient funds for external certifications and internal expenses. The allocated amount is made available as part of an action plan and amounts to around EUR 1.0 million per year. This is part of other operating expenses and personnel expenses in the consolidated statement of profit or loss of the Sto Group. In future, this action is to receive a comparable amount of funding.

Actions related to information-related impacts for consumers and end-users:

The following actions have been taken by Sto to promote the actual positive impact of the sustainability matter 'Information-related impacts for consumers and end-users'.

Labelling of preservatives

Since 2019, Sto has been using its own seal of quality for the labelling of preservative-free products. In this way, Sto meets the growing need for building products that do not have any health risks, and offer quick orientation, especially for people who are sensitive even to small amounts of preservatives and who could have an allergic reaction. The substances used are made transparent in data sheets and labelled with a seal of quality that confirms that the products are low-emission, solvent- and plasticiser-free and have been tested for pollutants by an accredited institute. Preservatives which protect products from premature deterioration

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are only used in the products to the extent that is technically necessary.

This action contributes to achieving the corporate target of 'Interiors portfolio tested for emissions' and pays into the 'Health and well-being' field of action of the sustainability strategy. The scope relates to human resources and costs for testing and certification processes, the actions primarily concern the European region and cover the company's own operational activities as well as the downstream supply chain. It is planned to maintain the actions permanently as part of the statutory communication on environmental statements. Progress was made in the year under review with regard to the identification of environmental statements to be reviewed and the introduction of adaptation measures. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

Compliance with data subject rights and processing only with a legal basis

In connection with the protection of data, Sto fulfils the data subjects' rights of customers and end-users. The data of end-users and customers are only processed on the basis of legal provisions. This action contributes to the company's 'Data Protection Policy'. The scope relates to human resources and IT costs, it covers all geographical areas and includes the company's own operational activities as well as the downstream supply chain. It is planned to maintain the action on a permanent basis. No particular progress was made in this action in the year under review. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

Data protection management system

Sto operates a data protection management system to protect customers and end-users. This action contributes to the company's 'Data Protection Policy'. The scope relates to human resources and IT costs, it covers all geographical areas and includes the company's own operational activities as well as the downstream supply chain. It is planned to maintain the action on a permanent basis. No particular progress was made in this action in the year under review. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

Actions related to personal safety of consumers and end-users:

The following actions were taken by Sto to promote the actual positive impacts of the sustainability matter 'Personal safety of consumers and end-users'.

Risk minimisation during the use and application of building products

To avoid and minimise risks when working with building products, Sto provides Safety Data Sheets, Technical Data Sheets, Sustainability Data Sheets, application instructions, and 24-hour emergency information worldwide. This action contributes to the 'Data Protection Policy' corporate directive and the 'Health and well-being' and 'Transparency and social responsibility' fields of action of the sustainability strategy. The scope is global, the action affects all geographical areas and covers the company's own operations as well as the downstream supply chain. It is planned to maintain the action on a permanent basis. Progress was made in the year under review with regard to the digital provision of product information. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

In addition to this action, Sto offers trainings and customer seminars on various topics. In doing so, Sto has taken several actions to ensure data protection and to protect the health of consumers and end-users. Actions are not directly tracked and evaluated. Instead, it is assumed that the desired result is achieved as long as no negative feedback is received.

Actions related to Sto's business practices with regard to its product design, marketing or sales are continuously adapted to requirements. The actions required or appropriate to respond to specific positive impacts are decided on a case-by-case basis.

No problems or incidents relating to human rights were reported in 2025.

6.3. Key figures and targets

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Sto Group has not currently set any measurable result-oriented targets in terms of impacts on consumers and end-users. Sto has not currently defined any specific targets in this area, as there is no basis for surveys and assessments. However, within a timeframe of two years, Sto intends to consider the introduction of suitable targets to promote the positive impact in relation to consumers and end-users. As explained, Sto measures its own performance with regard to the sustainability matters in this chapter via the success rate of its actions. It is assumed that the desired result will be achieved as long as no negative feedback or complaints are received.

The Sto Group is currently focussing on well-functioning processes. The aim is to ensure that consumers

and end-users receive the necessary information for each product and that no hazards arise from the products when used as intended. In the event of statutory amendments, Sto adapts the information promptly and actively communicates the changes to the affected interest groups as required. One example of this is the revaluation of chemical substances, which can lead to certain products only being used under certain protective and training measures, or the substitution of the substances concerned being tested and, if technically possible, implemented. The same applies to data protection, which is also a statutory requirement.

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7.1. Governance

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

These disclosures are reported in Chapter 1 (ESRS 2).

7.2. Management of impacts, opportunities, and risks

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

Sto has analysed its interactions with sustainability matters in order to assess the material impacts, risks and opportunities as well as their interaction with the policy and business model in the area of 'Corporate governance'.

The 'Corporate governance' section of the G1 standard comprises the six sub-topics 'Corporate culture', 'Protection of whistleblowers', 'Animal welfare', 'Political engagement and lobbying', 'Management of relationships with suppliers including payment practices' and 'Corruption and bribery'.

A detailed explanation of the approach and methodology as well as the materiality assessment can be found in Chapter 1 (ESRS 2). The impacts, risks, and opportunities contained in the respective sustainability matters are explained below. All other report disclosures that require reference to the material impacts, risks and opportunities are presented at the level of sustainability matters.

Corporate culture

The following material actual positive impact was identified for the 'Corporate culture' sustainability matter:

- 'Employees have the assurance that the corporate culture is geared towards ethics and compliance'.

It results from Sto's corporate culture. Compliance and transparency form the foundation of sustainable economic trade. Sto is aware of the great relevance of this topic and ensures that employees in its own business activities as well as suppliers are familiar with the principles of ethical trade. A detailed description of the measures that Sto takes to ensure ethical behaviour can be found in the Chapter G1-1 'Corporate culture and concepts for corporate governance'.

Protection of whistleblowers

A material positive impact was identified in connection with the sustainability matter 'Protection of whistleblowers':

- 'Various stakeholders such as employees and actors in the value chain have no barriers to addressing concerns and incidents'.

This impact results from the fact that compliance and transparency are an integral part of Sto's corporate culture. Due to the great relevance of this topic, Sto ensures that employees in its own business activities as well as suppliers are informed about the protection of whistleblowers. A detailed description of the actions Sto takes to ensure ethical behaviour can be found in Chapter G1-1 'Corporate culture and concepts for corporate governance'.

Management of relationships with suppliers including payment practices

The following material actual positive impact was identified in connection with the sustainability matter 'Management of relationships with suppliers including payment practices':

- 'Suppliers have clear requirements as a framework for orientation'.

Sto wishes to cooperate with its suppliers to further develop sustainability performance in the supply chain. The success of the cooperation between Sto and its business partners is based on mutual trust, transparency, reliability and fairness. A Code of Conduct defines Sto's requirements for responsible business practices, human rights and labour standards, environmental protection and product safety. A detailed description of the 'Supplier Code of Conduct' can be found in Chapter G1-1 'Corporate culture and concepts for corporate governance'.

Corruption and bribery

The following material actual positive impact was identified for the 'Corruption and bribery' sustainability matter:

- 'Various stakeholders such as employees and actors in the value chain have the assurance that the risk of incidents is minimised as far as possible'.

Through Compliance Management and the reporting system, Sto ensures that ethical behaviour is

implemented and misconduct is sanctioned. Chapter G1-1 'Corporate culture and concepts for corporate governance' contains a detailed description of measures and directives in the sustainability matter of corruption and bribery.

The material sustainability matters listed here are an integral part of Sto's sustainability strategy. They are a central element of economic activity and ethical conduct. Sto considers governance, risk management, compliance and ethical business practices to be indispensable for sustainable and responsible corporate governance. By consistently implementing these topics, Sto ensures that not only legal requirements are met, but also that the highest ethical standards are adhered to. This strengthens the stakeholders' trust and makes a significant contribution to Sto's long-term value creation and stability.

Animal welfare

No material impacts, opportunities, or risks were identified for this sustainability matter.

Political commitment and lobbying

No material impacts, opportunities, or risks were identified for this sustainability matter.

G1-1 Corporate culture and business conduct policies

Sto has implemented various policies, actions and targets to address the management of the impacts, opportunities and risks of the sustainability matter 'Corporate culture'.

Policies related to corporate culture and whistleblower protection:

To manage the actual positive impacts, the sustainability matters 'Corporate culture' and 'Protection of whistleblowers', Sto applies the policies of 'Code of Conduct', 'Compliance Management Handbook' and 'Whistleblower system – dealing with tip-offs'.

The 'Code of Conduct' promotes corporate culture and corporate governance. It has already been presented in accordance with the Minimum Disclosure Requirement of ESRS 2 as part of the disclosure on the disclosure requirement in Chapter 4 (ESRS S1). The aforementioned positive impact is covered in particular by guidelines for ethical behaviour and compliance in the 'Code of Conduct'.

Another policy that promotes corporate culture and compliance is the 'Compliance Management Handbook'. It was also presented in accordance with the Minimum Disclosure Requirement of ESRS 2 as part of the Disclosure Requirement in Chapter 4 (ESRS S1).

In addition to the 'Code of Conduct' and the 'Compliance Management Handbook', Sto has implemented the 'Whistleblower system – dealing with tip-offs' directive. It enables employees to address misconduct. The directive helps to ensure that employees understand the applicable legal framework and the reporting system and trust the directive. This allows employees to actively report information. Regardless of legal requirements, the main purpose of the Whistleblower Protection Guideline is the same all over the world. The Sto Group's vision is to propagate a culture of integrity within its own organisation. Complete transparency is a prerequisite for creating confidence in such a directive. It applies to all employees of Sto SE & Co. KGaA and is also applicable to the company's associated companies – with the exception of Sto Corp. and its subsidiaries – in accordance with Sections 15 et seq. of the German Stock Corporation Act. The activities of this directive relate to Sto's entire value chain.

The Chief Compliance Officer of the Sto Group is the recipient of all compliance reports as part of the reporting system. In the performance of his duties, he is not subject to directives and can be supported within the framework of the compliance organisation. The directive takes into account third-party standards by aligning itself with legal requirements. Compliance is also ensured through training and communication. When the directive was drafted, the interests of stakeholders were taken into account with the directive being based on legal requirements. The directive is available on the intranet via 'Stoinside'. This allows both whistleblowers and people who help implement the directive to access it.

Sto connects economic success with social responsibility and environmental protection. The Sto Group is quality-orientated and operates internationally. For this reason, the standards of conduct are uniform worldwide and are based on a global 'Code of Conduct'. It summarises important statutory and internal company regulations. It governs conduct in the business environment including third parties, the public and day-to-day interactions within the Group. It is crucial that every employee of the Sto Group understands the 'Code of Conduct' and acts accordingly. Ensuring compliance is an essential part of our daily work. Sto maintains a culture of honesty and continues to develop it. The responsibility for maintaining and developing the culture lies with each individual employee. This message is also communicated and practised by the Executive Board of STO Management SE.

Actions related to corporate culture:

In addition to the policies that Sto uses to manage its impacts on the sustainability aspect 'Corporate culture', Sto implemented the following action in connection

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with the impacts of this sustainability matter in the year under review:

Further development of Governance, Risk and Compliance Management (CMS)

A key action is the further development of Governance, Risk and Compliance Management (CMS). The CMS consists of several interconnected modules and covers the areas of prevention, detection and response. The modules are aimed at ensuring compliance with laws and company rules, implementing regulatory developments promptly and cultivating and developing a culture of honesty within the company. This also applies to the product side in the form of extensive sustainability information and corresponding eco-labels. Assuming responsibility as part of our social commitment is also an important concern for Sto. The scope of the action covers all geographical areas and includes the company's own operational activities as well as the upstream supply chain. It is planned to maintain it on a permanent basis. No particular progress was made in this action in the year under review. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

Actions related to corporate culture and whistleblower protection:

Sto implemented the following actions in the year under review to manage impacts on the sustainability matters of 'Corporate culture' and 'Protection of whistleblowers':

Reporting system

Sto has further optimised worldwide availability and accessibility to the reporting system (also referred to as the whistleblower system). The system ensures that internal and external persons can report serious violations such as bribery, extortion, embezzlement, theft, accounting irregularities, environmental damage, discrimination, corruption, or anti-trust agreements in an anonymised or personalised form. The scope of the action covers all geographical areas and includes the company's own operational activities as well as the upstream supply chain. It is planned to maintain the action on a permanent basis. No particular progress was made in this action in the year under review. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

Targets related to corporate culture and whistleblower protection:

In connection with the sustainability matters of 'Protection of whistleblowers', 'Corporate culture' and corporate governance, the Sto Group pursues the following target:

Training all affected employees on the respective topic

Sto has set itself the target of training all affected employees throughout the Group on topics relating to corporate culture and compliance. It is directly related to the strategic requirements of the 'Transparency & Social Responsibility' sustainability strategy and is in line with the overarching corporate goals. The defined target level stipulates that 100 % of the employees affected should be trained in the respective topics every two years, and should be achieved by 2026. The methods and significant assumptions used to set the targets include the company's obligation to comply with statutory requirements.

To measure progress, the numbers of trainings completed by the affected employees are counted, with the reporting year serving as the reference year. In 2025, 54.2 % (previous year: 66.2 %) of all affected employees were trained on the respective topics in relation to the training courses analysed. This target is an internal company target based on statutory requirements, which is why no external stakeholders were consulted. It has not been changed to meet current requirements and findings. The target was monitored and reviewed by analysing the training provided throughout the Sto Group on an annual basis.

Mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour conflicting with the 'Code of Conduct'

The compliance management system and the reporting system play a central role in the identification, reporting and investigation of concerns. These relate to unlawful behaviour or behaviour that contradicts the 'Code of Conduct' or similar internal rules or policies.

At Sto, integrity and compliance with laws and internal sets of rules have the highest priority. In order to maintain these values and avoid or minimise potential risks from violations, it is important to identify, clarify and prevent misconduct at an early stage. Every indication of possible misconduct is investigated impartially as part of an objective and transparent procedure. The Executive Board of STO Management SE is legally obliged to investigate on its own initiative any suspicion of illegal or unauthorised actions of which it becomes aware. Any compliance and legal violations identified in the course of this must be stopped immediately. Furthermore, sanctions must be considered.

Reporting system

In order to fulfil its legal obligations, the Management Board of STO Management SE has commissioned the Compliance department as an independent department. It has a direct reporting line to the Chairperson of the Supervisory Board of STO Management SE and

follows up on information and allegations in connection with possible compliance-related misconduct.

The reporting system is part of the Sto Group's compliance management. It is designed to help continuously improve compliance by utilising information. The reporting system is published on Sto's website, allowing both employees and external persons to report grievances. A directive describes the process and is intended to ensure professional and standardised handling of compliance reports. The reporting system is available 24 hours a day, seven days a week. It is accessible via a secure website in all countries. All employees receive the 'Code of Conduct' at the start of their employment at Sto. It is also communicated internally and externally in many places. The Chief Compliance Officer examines the information received and initiates appropriate actions to clarify the matter and, if necessary, follow-up measures, while preserving the anonymity of the whistleblower. All complaints received are analysed independently in accordance with the principle of confidentiality. As soon as the report is received, it is labelled with a consecutive identification code and entered into a database. The database records the classification of the complaint and its processing status. The whistleblower receives a confirmation of receipt within seven days of receipt of the report.

In order not to initiate an investigation for every tip-off, it has proven to be a good idea to start the process with a preliminary review. The report is checked for validity. As soon as a report is received, it is checked whether the report fulfils the minimum processing requirements and falls within the scope of this directive. If the report is obviously unfounded or does not provide sufficient information to verify the alleged facts, it will not be processed any further. This decision is then documented. If the report appears to be justified, it will be processed further. This process is also recorded. Priority is given to the question of whether the report is related to the company. What is important here is not the origin of the report, but whether the facts have occurred in the company or could have consequences for the company or an employee of the company. The final documentation and reporting follow immediately. If the report is not followed up, the whistleblower will also be informed. The preliminary review must be carefully and thoroughly justified and documented. The final decision as to whether the report should be investigated further is made by the Chief Compliance Officer. Complaints are prioritised in order of importance from one (relevant) to three (least relevant). All reports relating to facts that may constitute acts of corruption are given a rating of 'one'. If the report is credible according to the preliminary analysis, the audit and analysis of the facts alleged by the whistleblower continue. If necessary, the involvement of other company departments or third parties can be requested. This decision must always

take into account the confidentiality and safety of the whistleblower, the persons affected by the report and all other persons named in the report. As in criminal law, the principle of the presumption of innocence and the principle of a fair trial apply here. The internal investigation must be documented throughout.

The Chief Compliance Officer is an independent function. The Chief Compliance Officer examines the information received and initiates appropriate measures to clarify the information while guaranteeing the anonymity of the whistleblower. Once the investigation of the facts alleged by the whistleblower has been completed, the Chief Compliance Officer draws conclusions as to whether the violation can be confirmed or not. The results of the investigation are then documented. The results are presented to the Executive Board of STO Management SE and any necessary follow-up measures are proposed. If a violation of laws or internal standards is confirmed, the results are forwarded to the HR department and, if necessary, to the Works Council.

The Sto Compliance department reports directly to the Chairperson of the Supervisory Board of STO Management SE. This enables the Chairperson, as an independent person, to follow up on indications and allegations of possible compliance-related misconduct.

The Sto Group has defined and established the corresponding processes in compliance management. The training topics and target groups are determined in accordance with the specific compliance risks of the company, taking into account national regulations on co-determination. For example, sales representatives are particularly sensitised in the areas of anti-corruption and competition law. Compliance training is offered in the form of e-learning and in-person training. Every employee is trained both when joining the company and at regular intervals. An internal reporting process ensures that all new employees worldwide are registered and trained. All employees worldwide are required to take the mandatory online course every two years.

The Sto Group does not tolerate any form of retaliation (e.g. disciplinary action, threats, intimidation) for the reporting of violations if this has been carried out in good faith, or for cooperation in the clarification of violations.

The whistleblower cannot be prosecuted personally or under labour law on the basis of or in connection with a report. The employer pledges to prevent and, if necessary, punish any discriminatory actions or other reprisals against whistleblowers. In the event of intentional misuse of the reporting system, the employer reserves the right to take disciplinary action. Any

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information reported is treated with the utmost care and investigated objectively.

In addition, indications of violations of compliance issues (human rights, environmental risks, competition law, corruption, fraud/money laundering, data protection, trade compliance) can also be reported via the reporting system. The reports are made anonymously (to the extent permitted by statutory law). Any infringement should be reported via one of the channels provided by Sto for this purpose. This should preferably be done via the reporting system, which guarantees the anonymity of the whistleblower.

Training within the organisation on corporate policy

Compliance training remains an important preventive and protective measure. Employees as well as new employees receive internal company training on the subject of compliance. This is either carried out as face-to-face or online training and repeated regularly for all employees.

The 'Learning@sto' platform contains e-learning courses on the topic of compliance. Mandatory courses for employees are defined on the intranet 'StoInside'.

All training courses have a due date, meaning that all courses must be completed within one to two calendar years. This process takes place automatically. Reminders are also sent automatically and the personal dashboard provides information on the current status. A detailed description of the policy can be found in Chapter 4 (ESRS S1) as part of the explanation of the compliance management system. The functions within the company that are most at risk in terms of corruption and bribery are the Executive Board of STO Management SE, Sales and Purchasing. These areas have contact with customers and suppliers, which means that external stakeholders could receive the greatest benefits through bribery, for example.

G1-2 Management of relationships with suppliers

Risk management and sustainability are important pillars of Sto's purchasing strategy. Derived from the sustainability strategy, a so-called 'Responsible Procurement' strategy is also being prepared in the purchasing department. The basis for the approach to relationships with suppliers is the 'Supplier Code of Conduct' directive, which is presented below in accordance with the Minimum Disclosure Requirement from ESRS 2. The description of the directive also shows which social and ecological criteria Sto takes into account when selecting its suppliers.

Policies related to management of relationships with suppliers including payment practices:

The following policy from Sto addresses the impacts in the 'Management of relationships with suppliers including payment practices' sustainability matter.

The 'Supplier Code of Conduct' imposes an obligation on all business partners to comply with statutory national laws in their business activities and decisions. They must also comply with the relevant internationally recognised standards, directives and principles. This includes, in particular, the initiatives and principles that Sto supports. In this way, business partners commit to sustainable development, protection of the environment and various social aspects. For example, the work must be performed on the basis of a recognised employment relationship, which is defined by national laws and practices. Obligations to respect human rights arising from the regular employment relationship may not be circumvented through the use of other types of contractual arrangements. Compliance with legal regulations, transparency and ethical business practices must also be guaranteed. The 'Supplier Code of Conduct' must be applied by all business partners of the Sto Group. The Sto Group's Materials Management department is responsible for this directive, which supports various initiatives and principles. For example, this includes the Ten Principles of UN Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The interests of stakeholders were taken into account when designing the directive by involving external service providers and specialised departments with knowledge of stakeholder interests. The Supplier Code of Conduct is reviewed annually by the Materials Management department, in cooperation with the Compliance department and the Sustainability department, to ensure that it is complete, up to date, and effective.

The policy is made available to all suppliers and the general public via the Sto website.

Measures in connection with the management of relationships with suppliers:

Sto has taken the following action to promote the material positive impact of the sustainability matter 'Management of relationships with suppliers including payment practices':

Software for supplier evaluation

An action to influence management of relationships with suppliers is the introduction of systematic supplier evaluation. By default, this takes place in SAP. Since the IntegrityNext software was linked to SAP in 2025, all suppliers worldwide are also assessed and monitored in terms of sustainability. This assessment

is being combined with the other SAP metrics so that fulfilment of relevant sustainability criteria is taken into account alongside price, quality, commercial cooperation, and delivery conditions. In this way, Sto emphasises its commitment to sustainable procurement. It is planned to maintain the action on a permanent basis. Progress was made with regard to the link between the IT systems and the timeliness of data. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

Targets related to management of relationships with suppliers including payment practices:

Sto has set a target for managing the material positive impact of Sto in connection with the sustainability aspect 'Management of relationships with suppliers including payment practices'.

100 % recognition of the 'Supplier Code of Conduct' and risk assessment of all relevant suppliers

In order to improve the management of relationships with suppliers, Sto has set itself the target of having 100 % of all relevant suppliers recognise the 'Supplier Code of Conduct' and its risk assessment (Tier 1 and relevance) by 2026. This target is directly related to Sto's strategic targets in the 'Transparency' field of action. The scope of the target extends to the Sto Group's direct suppliers and those relevant on the basis of the risk analysis. The global roll-out of the Supplier Code of Conduct began in 2024 and progress has been made in terms of tracking in the year under review. The methods and significant assumptions used to set the targets include combining the assessment data with the information on suppliers from IntegrityNext. The engagement of stakeholders in the definition of targets took place as part of the formulation of the 'Supplier Code of Conduct' and the implementation of the Act on Corporate Due Diligence Obligations in Supply Chains. Findings from the various dialogue formats were also taken into account. The target is monitored and reviewed by the purchasing department with the support of the sustainability department and are in line with the progress of the original planning. No external monitoring or sanctions are currently in place.

Sto has not developed a specific policy to prevent late payment to small and medium-sized companies, as Sto monitors payment deadlines on the system side and has not had any material incidents (late payments) in this context.

G1-3 Prevention and detection of corruption and bribery

Correct and compliant behaviour is a top priority for Sto. The company's success is based on integrity and compliance. In order for the company to fulfil this

requirement, it is important to learn of potential misconduct and put an end to it.

Policies related to corruption and bribery:

To manage the actual positive impact of the sustainability matter of 'Corruption and bribery', Sto applies the 'Directive on gifts, hospitality, and invitations to Sto employees from third parties' and the 'Competition Law Code of Conduct'.

The 'Directive on gifts, hospitality, and invitations to Sto employees from third parties' describes the principles and standards of behaviour that must be observed in the context of our work when gifts, hospitality, or invitations are offered by third parties.

By adopting this directive, Sto is pursuing the following objectives:

- Establishing a common understanding on handling gifts, hospitality, and invitations from third parties in business transactions. It is intended to benefit all employees as an important reference work and source of information.
- Determining standard procedures that apply when gifts, hospitality, and invitations are provided by third parties.
- Prevention of non-compliant conduct and reduction of risks for Sto. The responsible and lawful behaviour of each individual employee reflects Sto's identity and is essential for the company's success.

The 'Directive on gifts, hospitality, and invitations to Sto employees from third parties' is binding for all employees of the Sto Group. It is the responsibility of the Internal Audit department. The directive is to ensure that relevant statutory regulations are complied with within the Sto Group. Directives from third parties are taken into account accordingly if they are also based on corresponding statutory regulations. Compliance is additionally ensured through training. The interests of stakeholders were taken into account when creating the directive, as it is largely based on the legal requirements. The directive is primarily made available to employees via the 'StoInside' intranet. This approach to combating corruption and bribery is in line with the United Nations Convention against Corruption.

The 'Competition Law Policy' explains the requirements of competition law and thus raises awareness of the fundamental regulations and their significance for business conduct and corporate decision-making. The directive is designed to give employees a basic understanding of competition law. In this way, they can recognise situations that involve issues relevant to competition law and in which legal advice is required.

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The 'Competition Law Policy' provides employees of Sto SE & Co. KGaA with a guide on behaviour that complies with competition law. It applies to all Sto employees. The directive is the responsibility of the Internal Audit department. Third-party standards were taken into account in the directive by basing it on the legal requirements. Compliance with this directive is also ensured through training. When writing the directive, the interests of stakeholders were taken into account by the directive being based on legal requirements. It is primarily made available to employees via the 'Stoln-side' intranet. This approach to combating corruption and bribery is in line with the United Nations Convention against Corruption.

A description of the procedures in place to prevent, detect and combat allegations or incidents of corruption or bribery can be found in the disclosure on the reporting system and compliance management system in Chapter G1-1 'Corporate culture and concepts for corporate governance'.

Actions related to corruption and bribery:

The following action was taken by Sto to manage the positive impact of 'Corruption and bribery' with regard to the sustainability aspect.

Training

One action that minimises the risk of incidents of corruption and bribery is the creation of transparency through training. In the year under review, mandatory compliance and IT security training was conducted via internal communication platforms and e-learning courses in order to sensitise employees and further develop and strengthen their awareness of compliance and safety standards. The scope of the action covers all geographical areas and includes the company's own operational activities. It is planned to maintain the action on a permanent basis. No particular progress was made in this action in the year under review. Sufficient financial and human resources have been made available for this action. Sto did not incur any significant operating expenses for these actions.

Targets related to corruption and bribery:

Sto has set the following targets for managing the positive impact of the sustainability matter 'Corruption and bribery'.

No violations and no convictions in relation to compliance

The obligation to prevent incidents of corruption and bribery goes hand in hand with the target of avoiding compliance infringements and convictions. This target is directly related to Sto's strategic targets in the 'Transparency' field of action. The scope covers the entire Sto Group. The year under review is used as the reference year. The target is to be achieved annually.

The methods and material assumptions used to set targets include the obligation for the company to comply with statutory requirements both now and in the future. The target is an internal company target and is based on statutory requirements. For this reason, no external stakeholders were consulted in the setting of this target. Sto rigorously reviews compliance incidents to assess annual target achievement. In the 2025 financial year, there were no violations or convictions in connection with corruption or bribery. Hence, the target was achieved in the year under review and no further actions need to be taken apart from the described preventive actions.

Training in connection with corruption and bribery

	Functions-at-risk	
	2025	2024
Share in % (functions-at-risk covered by training programmes)	54.2	66.2

Methodologies and assumptions

The training courses are e-learning programmes that Sto employees must complete every two years. This also applies to members of the administrative and management bodies.

The data for the training courses conducted in connection with corruption and bribery was taken from the e-learning platform. The collection includes both completed and ongoing training courses. The data was collected in January 2026 for the 2025 financial year.

To calculate the percentage of employees in functions-at-risk who were covered by training programmes, the number of training courses completed was determined and then compared with the total number of employees affected. The functions-at-risk include employees in the areas of marketing, sales and purchasing as well as managers.

The measurement of the key figure has not been validated by any external body. The key figure was subjected to a content-related audit with limited assurance by the auditor.

7.3. Key figures and targets

G1-4 Incidents of corruption or bribery

Corruption and bribery		
Violations of corruption and bribery regulations	2025	2024
Number of convictions for corruption and bribery violations	0	0
Amount of fines for corruption and bribery violations	0	0

Comprehensive actions have been taken to effectively address violations of procedures and standards for combating corruption and bribery. Key initiatives include the introduction of strict compliance directives that set out clear standards of conduct and ethical principles. These directives are supported by regular training for all employees to raise awareness of the risks of corruption and bribery, and to highlight the consequences of violations.

In addition, internal control and monitoring systems have been implemented to recognise possible violations at an early stage and take appropriate countermeasures. An important component is the establishment of anonymous reporting systems that enable employees, external partners and other persons to report suspicious incidents confidentially and without fear of reprisals.

Audits are carried out regularly to check the effectiveness of the actions and ensure that the applicable standards are being met. Clear sanctions for violations of the directives have been defined to underline the importance of integrity and transparency within the organisation.

In addition, great importance is placed on an open communication culture that promotes ethical behaviour and ensures that all employees take responsibility for complying with anti-corruption standards. Overall, these actions are aimed at strengthening trust in the organisation and creating an environment that consistently counteracts corruption and bribery.

Methodologies and assumptions

Data on the number of convictions and the amount of fines for corruption and bribery violations was collected from the Group companies and collated. The measurement of the key figures has not been validated by any external body. The key figures were collected in January 2026 for the 2025 financial year and subjected to a content-related audit with limited assurance by the auditor.

Stühlingen/Germany, 8 April 2026
Sto SE & Co. KGaA
represented by STO Management SE
Executive Board

Corporate Governance Report / Corporate governance statement

In this report, Sto SE & Co. KGaA and its personally liable partner STO Management SE describe all the processes involved in the management and monitoring of the Company (Corporate Governance) as well as the key corporate governance practices in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and as stipulated in Principle 23 of the German Corporate Governance Code (GCGC) on the corporate governance of the Company in the 2025 financial year (Corporate governance statement). This combined document is part of the Annual report and, as such, is also published under 'Investor Relations' under the 'Corporate Governance & Compliance' section on the Sto website at www.sto.de. The Remuneration report in accordance with Section 162 of the German Stock Corporation Act (AktG) is published in the 'Investor Relations' section of the www.sto.de website, under the category 'Vergütungsbericht gem. § 162 AktG' (Remuneration report in accordance with Section 162 AktG). Further information on corporate governance, such as the Supervisory Board's Internal Rules of Procedure including the definition of its committees as well as the Corporate governance statements of previous financial years, are also available at www.sto.de in the 'Investor Relations' section or as part of the annual report.

Sto is committed to responsible and transparent management and monitoring of the Company, with a focus on sustainable value creation. All internal decision-making and control processes in the Sto Group are based on this principle.

1. Declaration of compliance in accordance with Section 161 of the German Stock Corporation Act by Sto SE & Co. KGaA on the recommendations of the Regierungskommission Deutscher Corporate Governance Kodex (Governmental commission German Corporate Governance Code)

The current and previous versions of this declaration are published on the website at www.sto.de. They can be found under 'Entsprechenserklärung' (Declaration of Compliance) by going to the 'Investor Relations' area and selecting the 'Corporate Governance & Compliance' category. The declaration is essentially reproduced below:

Statutory regulations, ethical standards, a sound financial policy, a strategy that is geared towards sustainability, and the German Corporate Governance Code (GCGC) all provide the foundation for our approach to corporate governance.

The German Corporate Governance Code in its version of 28 April 2022 was published in the Bundesanzeiger (German federal government gazette) on 27 June 2022. In accordance with Section 161 of the German Stock

Corporation Act (AktG), listed companies are legally obliged to declare once a year that the recommendations made in the GCGC have been and are being complied with, or which recommendations have not been or are not being applied and the reasons why not. Companies may deviate from suggestions without any obligation to provide an explanation.

Particularities due to the legal form of 'KGaA'

The GCGC is tailored to companies in the legal form of an 'Aktiengesellschaft' (public limited company) or a European Company (SE) and does not take into account the special features of the legal form of a KGaA. Many of the recommendations of the GCGC can therefore only be applied to Sto SE & Co. KGaA in a modified form. Significant modifications result in particular from the following special features specific to the legal form. Sto SE & Co. KGaA (referred to below as the 'Company') is a 'Kommanditgesellschaft auf Aktien', which is a German legal form that is roughly equivalent to a partnership limited by shares. The tasks normally performed by the Executive Board of an 'Aktiengesellschaft' (German legal form that is comparable to a public limited company) are instead performed by the personally liable partner because of statutory provisions contained within the German Stock Corporation Act. The sole personally liable partner of the Company is STO Management SE, which acts through its management body and is therefore responsible for managing the Company's business. The personally liable partner receives the liability remuneration and expense allowance conforming to the Articles of Association.

In comparison to the Supervisory Board of an 'Aktiengesellschaft' (public limited company), the rights and obligations of the Supervisory Board of a 'KGaA' are restricted. In particular, the Supervisory Board of the Company does not have the authority to appoint personally liable partners or their corporate bodies. Nor is it authorised to specify their contractual conditions, to adopt rules of procedure relating to management, or to define business transactions requiring approval. Instead, these tasks are performed by the Supervisory Board of STO Management SE in its capacity as the overseer of the Executive Board. The 'KGaA' does not have a labour relations director.

The Annual General Meeting of a 'KGaA' essentially has the same rights as the Annual General Meeting of an 'AG' ('Aktiengesellschaft' (public limited company)); in addition, it resolves on the approval of the annual financial

statement of the company. Numerous resolutions require the approval of the personally liable partner.

STO Management SE – acting through its Executive Board – as the personally liable partner of the Company, and the Supervisory Board of the Company jointly declare in accordance with Section 161 AktG (German Stock Corporation Act) that the Company complies with the recommendations of the 'Regierungskommission Deutscher Corporate Governance Kodex' (Governmental commission German Corporate Governance Code) with the following exceptions and taking into account the above-mentioned particularities specific to the legal form.

Since the last Declaration of compliance was issued, STO Management SE as personally liable partner of the Company and the Supervisory Board of the Company have complied with the recommendations of the 'Regierungskommission Deutscher Corporate Governance Kodex (Governmental commission German Corporate Governance Code)' with the exceptions stated in the last Declaration of compliance.

Principle 6:

Due to the Company's legal structure, the Supervisory Board has no authority to define transactions for the personally liable partner that require approval and has no authority with regard to the personally liable partner's personnel as a management body of the company and its internal structure.

Principle 8:

Due to the legal form, the Annual General Meeting does not have the authority to make decisions on the remuneration system of the personally liable partner. The personally liable partner of the Company receives the liability remuneration conforming to the Articles of Association and expense allowance conforming to the Articles of Association.

Principle 9 und Recommendations B.1 to B.5:

Due to the legal form, the Supervisory Board has no authority to make decisions regarding the personally liable partner as the Company's management body and/or the composition of the personally liable partner's corporate bodies. Please refer to the introductory remarks on the legal form.

The personally liable partner informs that, with regard to the recommendations in B.1 to B.5, it essentially acts in accordance with the underlying objectives of the recommendations. Insofar as Recommendations B.2 and B.5 refer to the Company's Corporate governance statement, the personally liable partner announces that it will include explanatory remarks there.

Recommendations C.6, C.7, C.8, and C.10:

Of the six members of the shareholder representatives on the Company's Supervisory Board, two members have been on the Supervisory Board for more than twelve years. One member of the Supervisory Board was a member of the Executive Board of the personally liable partner until 31 December 2023. These members do not have any other characteristics that indicate a possible dependency within the meaning of Recommendation C.7. The Supervisory Board is satisfied that – regardless of how long they have been members of the Company's Supervisory Board and regardless of their previous activities – these members are sufficiently independent of the Company and the personally liable partner. By virtue of their personal economic and professional circumstances, none of the three members are in any way reliant on their Supervisory Board activities on behalf of the Company. The Company believes that a mix of different experiences, qualifications and backgrounds is the best way to ensure optimal control of the Company. In the opinion of the Supervisory Board, the Chairperson of the Supervisory Board and the Chairperson of the Audit Committee, who are each one of the three members listed above, are therefore not to be considered dependent within the meaning of Recommendations C.7, C.8 and C.10.

Recommendation F.2:

The GCGC recommends that the prepared and audited consolidated annual financial statement of the Sto Group be made available to the public within 90 days after the end of the financial year and that financial information during the course of the year be made available to the public within 45 days after the end of the reporting period. In accordance with Section 325 (4) of the German Commercial Code (HGB), it is mandatory that the Annual financial statement, the Consolidated annual financial statement of the Sto Group, the Management and the Group Management report as well as the other documents be disclosed within four months after the end of a financial year. As has been the case in the past, the Company will continue to disclose the consolidated annual financial statement of the Sto Group by the end of April of the following year and will make the financial information during the course of the year available to the public within 90 days after the end of the reporting period.

Principle 24, Recommendations G.1 to G.14:

Due to the legal form, the Supervisory Board has no authority to determine the remuneration of the personally liable partner or its management body. As stated above, the personally liable partner of the Company receives liability remuneration in accordance with the Articles of Association and reimbursement of its expenses for managing the Company in accordance with the Articles of Association.

The personally liable partner has informed us that it bases the remuneration of the members of its management body essentially on the targets set out in Recommendations G.1 to G.14. The personally liable partner reports that the remuneration structure for the members of its management body is currently based on industry benchmarks and that the monetary remuneration components for the members of its management body comprise fixed and variable components. The variable remuneration components are differentiated according to a short-term and a long-term (multi-year) assessment basis, in each case based on the performance of the Company.

Recommendations G.15 and G.16:

As the Supervisory Board of the Company has no authority with regard to the remuneration of the management body, the recommendations are not applicable due to the specific legal form. The personally liable partner and the Supervisory Board of the Company report that members of the management body of the personally liable partner do not receive remuneration for exercising mandates on the Supervisory Board of the Company's Group.

Principle 26:

Since the remuneration of the personally liable partner is determined by the Articles of Association of the Company, the principle is not applicable due to the specific legal form. The personally liable partner hereby reports that, in the context of preparing the annual financial statements and the Management report, it will present the principles of the remuneration of its management body and will essentially be guided by the transparency objectives of the Remuneration report with regard to the personally liable partner as a whole. The Remuneration report also includes information on the remuneration of the Supervisory Board.

2. Remuneration report/remuneration system

Sto SE & Co. KGaA has a personally liable partner rather than an Executive Board due to the legal form of organisation. Therefore, the Remuneration report is produced in accordance with Section 162 of the German Stock Corporation Act (AktG) according to Section 278 (3) of the German Stock Corporation Act (AktG) by the personally liable partner instead of by an Executive Board.

Information concerning the remuneration and expense allowance paid to the personally liable partner STO Management SE and details of the main features of the remuneration system for the supervisory body of Sto SE & Co. KGaA can be found in the Remuneration report produced in accordance with Section 162 of the German Stock Corporation Act (AktG). The Remuneration report for the last financial year, the Independent Auditor's Report by the auditor in accordance with Section 162 of the German Stock Corporation Act (AktG)

and the latest remuneration resolution of the Company's Annual General Meeting in accordance with Section 113 (3) AktG have been made publicly accessible and have been made permanently available for inspection by the statutory deadline on the Company's website at www.sto.de, where they can be found in the 'Investor Relations' section under the category 'Vergütungsbericht gemäß § 162 AktG' (Remuneration report in accordance with Section 162 AktG).

3. Disclosures on corporate governance practices

3.1 Disclosures on the Annual General Meeting at the 'Kommanditgesellschaft auf Aktien' (roughly equivalent to a partnership limited by shares)

The Annual General Meeting of Sto SE & Co. KGaA essentially has the same rights as an Aktiengesellschaft (German public limited company). In addition, it resolves on the approval of the annual financial statement of Sto SE & Co. KGaA. Shareholders exercise their rights at the Annual General Meeting. As the personally liable partner of Sto SE & Co. KGaA, STO Management SE is responsible for convening the Annual General Meeting and the timely dispatch of all statutory reports and documents, including the agenda. These documents and the Annual report are also available on the Company's website. At the Annual General Meeting, the personally liable partner presents the annual financial statement of Sto SE & Co. KGaA, the consolidated annual financial statement of the Sto Group as well as the Management/Group management report for the previous financial year and explains the key events. Unlike the Annual General Meeting of an 'Aktiengesellschaft' (German public limited company), the Annual General Meeting of a 'Kommanditgesellschaft auf Aktien' (KGaA, roughly equivalent to a partnership limited by shares) cannot vote on the remuneration of the Executive Board or on a remuneration system, because there is no Executive Board in the case of this legal form. Rather, the (liability) remuneration and the expense allowance for STO Management SE as personally liable partner of Sto SE & Co. KGaA for taking over the management of the Company are determined by law and the Articles of Association of Sto SE & Co. KGaA.

For shareholders who cannot or do not wish to exercise their voting rights themselves at the Annual General Meeting, a voting proxy bound by instructions from the Company is available. As at the end of 2025, Sto SE & Co. KGaA's subscribed capital amounted to an unaltered figure of EUR 17.556 million. Each of the 4.320 million limited ordinary shares (ordinary shares) grants one voting right. The 2.538 million limited preference shares (preference shares) do not have voting rights but take priority for the purpose of profit distribution and are entitled to a higher dividend. There were no shares with preferential or multiple voting rights.

3.2 Compliance/Measures relating to corporate governance

Over and above the legal requirements and the German Corporate Governance Code, Sto SE & Co. KGaA bases its conduct on internal regulations and external standards. The activities for greater sustainability include the United Nations' 17 Sustainable Development Goals (SDGs). Sto is a member of the United Nations (UN) Global Compact, a global initiative under the auspices of the United Nations that sets out ten principles in the areas of human rights, labour standards, environmental protection and the fight against corruption. The implementation of the principles of UN Global Compact are set out in the Sustainability statement contained in the Group management report, which is published on the Company's website at www.sto.de in the 'Investor Relations' section under the category 'Geschäfts- und Zwischenberichte' (Annual and interim reports) as part of the Group management report in the Annual report. The sustainability statement fulfils the reporting on sustainability at Sto in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Our most important internal regulations within the Company include the 'Principles for Cooperation and Management within the Sto Group', which include a set of Group-wide practice guidelines for all employees and managers. In addition to regulations for internal work procedures, they also include information on the principles stipulated by Global Compact.

The purpose of consistent compliance management is to ensure adherence to Company rules and values, and to make sure that all business practices within the Group are legally compliant. At Sto, compliance provides the foundation for integrity in the business arena. It underpins the Company's strong commitment to ethical and fair behaviour in our own organisation, and creates the framework for dealing with external partners.

Sto's Compliance Management System consists of several interconnected building blocks. It covers the areas of prevention, detection, and response, and is supported by the implemented risk management procedures, the directives, and extensive training and advice for employees worldwide. Ways and means are provided for reporting suspected or actual violations of Company rules and statutory regulations in order to facilitate the detection and complete investigation of misconduct. Every instance of misconduct is investigated thoroughly.

By following the logical sequence of the PDCA cycle (Plan, Do, Check, Act), the Compliance Management System can be implemented using the optimum methodology and can be continuously developed by remedying weak points. The compliance risks can be recorded independently of the risk owner and individual risk

and are integrated into the system. At Sto, compliance is integrated into the Company's operational and added-value processes from end to end, with implementation based on seamless and continuous communication. Responsible conduct is reinforced and indelibly imprinted on the minds of all employees through the 'tone from the top' strategy adopted by the Executive Board of STO Management SE. Moreover, legally compliant, risk-aware, opportunity-oriented, and informed action in a dynamic business environment help to ensure Sto's competitiveness and sustainable corporate success in line with Sto's corporate mission of 'Building with conscience.'

3.3 Accounting and auditing of financial statements

The accounting of the Sto Group is based on the International Financial Reporting Standards (IFRS) as applied in the European Union. The annual financial statement of the parent company Sto SE & Co. KGaA is based on the reporting standards of the German Commercial Code (HGB).

The annual and consolidated annual financial statements of Sto SE & Co. KGaA, including the respective management report and Group management report, are audited by an independent auditing company, which is elected by the Annual General Meeting at the proposal of the Supervisory Board. The election is preceded by an independence check in order to ensure that any conflicts of interest that might give rise to doubts concerning the impartiality of the auditor are ruled out at an early stage.

The auditor responsible takes part in the deliberations of the Supervisory Board of Sto SE & Co. KGaA concerning the Annual financial statement and the Consolidated annual financial statement as well as in the corresponding Audit Committee meeting where the auditor reports on the key findings of their audit. The exchange with the Supervisory Board and the Audit Committee takes place both with and without the participation of the personally liable partner.

3.4 Transparency and external reporting

Sto SE & Co. KGaA informs its shareholders, financial analysts, the media, and the general public about important topics in a regular, timely and comprehensive manner. These include, in particular, the economic situation and development of the Company/Group, as well as important business changes within the Group. The Company uses a variety of media for this purpose.

Annual and interim reports, press releases and voting rights announcements, inside information and all financial reporting, including the Group sustainability statement contained in the Group management report,

as well as other significant information can be found on the Internet at www.sto.de under 'Investor Relations' - much of it also in English. In addition, annual and half-yearly financial reports are also lodged with and published in the companies register on the day of publication.

Significant dates in the context of financial communication are continuously published in the financial calendar of the Annual Report and on the Company's website. The dates are updated as necessary.

3.5 Effectiveness of the internal control system and risk management system

The Executive Board of the personally liable partner STO Management SE has initiated and implemented an integrated approach to governance, compliance, and risks that aims to ensure adequate and effective internal control and risk management. The measures implemented within the context of this approach aim to ensure the effectiveness and adequacy of internal control and risk management, and are described in the Risks and opportunities report, for example. The measures also include processes and systems for entering and processing sustainability-related data. Independent monitoring and audits take place, especially through audits by the Internal Audit division and its reporting to the Executive Board of the personally liable partner STO Management SE as well as to the Audit Committee of the Supervisory Board, and through external audits.

Based on the examination of the Internal control and risk management as well as the reporting of the Internal Audit function, the personally liable partner and its Executive Board are not aware of any circumstances that speak against the adequacy and effectiveness of these systems.

4. Description of the operating principles of the personally liable partner STO Management SE and the Supervisory Board as well as the composition and operating principles of the committees

Sto SE & Co. KGaA is subject to the German stock corporation law. As a 'Kommanditgesellschaft auf Aktien' (roughly equivalent to a partnership limited by shares), the governing bodies of Sto SE & Co. KGaA are the personally liable partner of the Company STO Management SE, which is responsible for managing the Company's business, the Supervisory Board and the Annual General Meeting. There is a separation in terms of personnel between management of the Company and monitoring of the Management Board in accordance with the statutory regulations. The duties and powers of the governing bodies and the requirements for their operating principles and composition of the management and supervisory bodies are essentially derived from the German Stock Corporation Act and the Articles of Association

of Sto SE & Co. KGaA as well as the Internal Rules of Procedure. The Articles of Association of the Company and the Internal Rules of Procedure for the Supervisory Board and its committees are available on the Company's website at www.sto.de in the 'Investor Relations' section under the category 'Corporate Governance & Compliance'.

4.1 Personally liable partner

4.1.1 General information

The sole personally liable partner of Sto SE & Co. KGaA is STO Management SE. The personally liable partner is responsible for the management of Sto SE & Co. KGaA in accordance with the statutory amendments to the German Stock Corporation Act and the Articles of Association of the Company. The personally liable partner STO Management SE acts through its management body, i.e. its Executive Board, via which it governs and manages Sto SE & Co. KGaA on behalf of STO Management SE. Within this context, STO Management SE acts under its own authority and in the interests of the Company; this means aiming to achieve sustainable added value while keeping the needs of shareholders, employees, and other stakeholders in mind. In its work, the personally liable partner STO Management SE complies with all statutory regulations, and observes the GCGC as well as other recognised external standards, and Company regulations.

As stated in the Declaration of compliance, the personally liable partner informs that it is guided by the succession planning strategy described below in accordance with Recommendation B.2 of the GCGC as well as the endeavour for diversity in accordance with Recommendation B.1 of the GCGC as set out below under 4.1.2 and also in principle by Recommendations B.3 to B.5 of the GCGC. The personally liable partner, through its supervisory body, ensures long-term succession planning when appointing its management body by specifically observing internal and external persons with extraordinary potential, in some cases also involving external consultants, and is guided by the age limits for the Supervisory Board and the Executive Board, among other things, the standard age limits of the statutory social security system. First-time appointments are made for a shorter period than the statutory maximum appointment period, and premature reappointments within the meaning of B.5 of the GCGC are regularly avoided.

The personally liable partner STO Management SE develops the corporate strategy and ensures this strategy is implemented. Its tasks also include drawing up the annual financial statement of Sto SE & Co. KGaA, the consolidated annual financial statement of the Sto Group, the half-year financial report, and the interim reports. It makes arrangements that are necessary in order to ensure compliance with legal requirements and

company-internal directives within the Sto Group (see Section '3.2 Compliance/Measures relating to corporate governance'), and is responsible for the establishment and further development of the internal control and risk management system. Detailed information about risk management is provided in the Group management report, which is part of this Annual report.

4.1.2. Diversity, information concerning Sections 76, 111 of the German Stock Corporation Act (AktG)

Due to its legal form of organisation, Sto SE & Co. KGaA does not have an Executive Board, but has a personally liable partner – i.e. the legal entity that is STO Management SE – meaning that it cannot have a diversity concept or any requirements for men and women in the body authorised to represent the Company; Section 76 (3a) of the German Stock Corporation Act does not apply to it due to the legal form of organisation. For information purposes only, it is reported that the Executive Board of the personally liable partner of the Company comprised three men and one woman in the 2025 financial year. From January 2026, the Executive Board will consist of two men; a previous female member of the Executive Board is currently not a member of the Executive Board of STO Management SE as she will be on maternity and parental leave from January 2026 in accordance with Section 84 (3) German Stock Corporation Act.

In accordance with Section 76 (4) of the German Stock Corporation Act (AktG), Executive Boards of listed companies are legally required to set target figures for the percentage of women at the two management levels below the Executive Board. At Sto SE & Co. KGaA, which does not have an Executive Board due to its legal form of organisation, this is the responsibility of the personally liable partner STO Management SE in accordance with Section 278 (3) of the German Stock Corporation Act (AktG). The latter promotes diversity as required by the GCGC, which it considers an important success factor for the future of the Group. Sto SE & Co. KGaA endeavours to include people of different age groups, professional qualifications, educational or professional backgrounds and genders in the composition of the Supervisory Board – as well as in the workforce. The Nomination Committee and Supervisory Board also take account of this when submitting nomination proposals to the Annual General Meeting. Furthermore, industry-specific conditions and the current proportion of women in the workforce were also taken into account when setting the target quotas.

The targets set by the personally liable partner STO Management SE are to achieve a women's quota of 10.0 % for management positions at the first level below the personally liable partner by 31 December 2030 and a women's quota of 20.0 %

for management positions at the second level. As at 31 December 2025, 8.3 % of management positions at the first level below the personally liable partner of the Company and 8.9 % at the second level were held by women. By 31 December 2026, these percentages are expected to be at 0 % and 7.0 % respectively. With regard to the above targets, it should be noted that Sto SE & Co. KGaA will restructure the management levels below the management by the personally liable partner of the Company in the 2026 financial year, with the result that different jobs and positions will be available in the 2026 financial year than in the 2025 financial year and there will therefore only be limited comparability with the previous period.

Despite the relevant requests having been submitted during the process of searching for candidates, it was not possible to find a suitable female candidate in each case during the 2025 financial year. This means that the proportion of women at the second management level falls short of the set quota.

4.2 Supervisory Board

The Supervisory Board of Sto SE & Co. KGaA monitors and advises the personally liable partner STO Management SE in the management of its business. Furthermore, it checks for compliance with the statutory disclosure rules in the manner detailed by the Supervisory Board and is directly involved in all decisions of fundamental importance to Sto SE & Co. KGaA. The work of the Supervisory Board is governed by statutory regulations, the Articles of Association, the GCGC as well as by internal rules of procedure. The latest versions of these are available on the Company website at www.sto.de and can be found under 'Geschäftsordnung Aufsichtsrat' (Supervisory Board Internal Rules of Procedure) by going to the 'Investor Relations' section and selecting the 'Corporate Governance & Compliance' category.

In comparison to the Supervisory Board of an Aktiengesellschaft (German public limited company), the rights and obligations of the Supervisory Board of Sto SE & Co. KGaA are restricted. For instance, it does not have the authority to appoint personally liable partners or their corporate bodies. Nor is it authorised to specify their contractual conditions, to adopt rules of procedure relating to management, or to specify business transactions requiring approval. In relation to the Executive Board as the management body of STO Management SE, these tasks are performed by its Supervisory Board.

The Supervisory Board discusses business development and planning as well as the strategy, including the sustainability strategy and its implementation, at regular intervals. It audits the annual and consolidated financial statement, the management reports of Sto SE & Co. KGaA and the Group, including the Group

sustainability statement contained therein and the dependent company report. It approves the annual and consolidated financial statements, based on the results of the preliminary audit carried out by the Audit Committee, and the auditor's reports. The Supervisory Board decides on the personally liable partner's proposal for the appropriation of net income and the Supervisory Board's report to the Annual General Meeting. Together with the personally liable partner, the Supervisory Board is responsible for the Remuneration report. In addition, the Supervisory Board monitors compliance management and, in particular, also handles sustainability issues that fall under the heading of Environmental, Social and Governance. The Supervisory Board regularly receives reports from the personally liable partner concerning the Sto sustainability strategy and the status of its implementation. The Supervisory Board deals with the opportunities and risks associated with social and environmental factors on behalf of Sto, as well as the ecological and social impact of the business activities. The Supervisory Board and the Audit Committee also deal with the sustainability statement that has been integrated into the Group management report since the 2025 financial year, which was prepared in accordance with the requirements of the CSRD and ESRS and which Sto SE & Co. KGaA has subjected to a voluntary limited assurance audit by the auditor for the 2025 financial year. The consolidated annual financial statement and Group management report, including the consolidated sustainability statement of the Sto Group contained therein, and the annual financial statement and management report of Sto SE & Co. KGaA are examined in detail by the Supervisory Board on the basis of the earnings of the auditor, the audit procedures of its Audit Committee and as part of its activities in the full Supervisory Board. The personally liable partner discusses the half-year financial report and the interim reports produced within the first and second half year with the Chairperson of the Supervisory Board and the Chairperson of the Audit Committee, who consult with the other members of the Supervisory Board. Together with the personally liable partner STO Management SE, the Supervisory Board prepares the Remuneration report in accordance with Section 162 of the German Stock Corporation Act and submits it to the auditor for audit.

Committee meetings are held regularly to prepare for Supervisory Board meetings (see the following details under '4.2.2. Committees' in this report) and separate preparatory meetings are held for shareholder and workers' representatives. The Supervisory Board also meets regularly without the personally liable partner. Each Supervisory Board member must disclose any conflicts of interest to the Supervisory Board.

The Supervisory Board of Sto SE & Co. KGaA held six meetings in the 2025 financial year. The details of the work undertaken by the Supervisory Board and focal

points of its meetings and committees are explained in depth in the report of the Supervisory Board.

4.2.1 Efficiency review and professional development

The Supervisory Board and its committees regularly review how effectively the Supervisory Board is performing its tasks internally and with the involvement of external advisors. In the 2025 financial year, the Supervisory Board conducted an internal efficiency review as part of a separate organisational and professional-development session – also without any representatives from the personally liable partner present. In separate agenda items, it dealt with the efficiency of its monitoring and advisory activities and provided further training on the associated new requirements arising from current legislation. The review was carried out in particular at the organisational meeting as part of a comprehensive self-analysis by all members present, whereby changes compared to previous meetings were identified in the sense of a progress analysis and a catalogue of measures for further optimisation was defined. The organisational analysis took the form of a PDCA (Plan, Do, Check, and Act) cycle. An external lawyer was on hand at the meeting to assist with any legal questions that arose. The results of the review confirmed that cooperation is professional, constructive, critical, and characterised by a high level of trust as well as openness – both internally within the Supervisory Board and in its dealings with the management and supervisory bodies of the personally liable partner STO Management SE. The organisational meeting confirmed that meetings are organised and conducted efficiently, and that there is an adequate supply of information. No fundamental need for change was identified. Individual suggestions were and are being taken up and implemented. Within this context, attention was – and is – paid to ensuring that the members of the Supervisory Board undertake adequate professional development which primarily covers current developments in the legal requirements for the Supervisory Board and the Company, but also issues relating to the Company's business. Especially after new elections, an onboarding and repetition process is carried out for the members of the Supervisory Board through comprehensive information and training.

4.2.2 Committees

To increase the efficiency of the activities of the Supervisory Board, technically qualified committees are formed. The members of the committees are listed in the overview below. In 2025, the Audit Committee and Finance Committee met regularly in advance of the Supervisory Board meetings to discuss complex issues and prepare their findings for the full Supervisory Board meetings. The work of the committees is described in detail in the report of the Supervisory Board. The composition of the committees is shown in the list below under 'Composition of the Supervisory Board and its committees'.

In particular, the Audit Committee monitors the accounting, and the accounting process. It is responsible for the preliminary audit of the annual and consolidated financial statements as well as the management report of Sto SE & Co. KGaA and the Group management report of the Sto Group, including the Group sustainability statement contained therein. On the basis of the auditor's report on the audit of the financial statements, it submits proposals for the approval of the annual and consolidated annual financial statements by the Supervisory Board following its own preliminary audit. The Audit Committee is responsible for discussing the half-year financial report with the personally liable partner and the auditor. The Audit Committee also deals with reporting on non-financial topics and sustainability as well as special topics such as a European Market Infrastructure Regulation (EMIR) audit in accordance with Section 20 of the German Securities Trading Act (WpHG). Furthermore, the Audit Committee is tasked with checking the regulations governing company compliance and checking the risk monitoring system, the suitability and effectiveness of the Company's internal control system, the risk management system, and the internal auditing system. Internal Group audit reports regularly to the Audit Committee. The Audit Committee prepares the Supervisory Board's proposal to the Annual General Meeting on the election of the auditor and the auditor of the sustainability statement (reporting in accordance with CSRD) and submits a corresponding recommendation to the Supervisory Board. Before submitting the nomination proposal, the Audit Committee examines whether there are any doubts about the independence of the proposed auditor. The Supervisory Board issues the audit mandate to the auditor following the resolution of the Annual General Meeting. The Audit Committee monitors the audit as well as the selection, independence, qualification, rotation and efficiency of the auditor and the services provided by the auditor. The planned non-audit services are approved on the basis of a pre-approval catalogue for the following year. Additional non-audit services are also approved by the Audit Committee prior to assignment. It regularly assesses the quality of the audit. Via the Chairperson of the Audit Committee, the Supervisory Board is in regular dialogue with the auditor, even outside of its meetings. The Audit Committee regularly consults with the auditor without the Executive Board. The chairperson of the Audit Committee discusses the progress of the audit with the auditor, even outside of meetings.

According to the provisions of the German Stock Corporation Act, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing. According to the GCGC, the expertise in the area of accounting must consist of specialist knowledge and experience in the application of accounting principles and use of

internal control and risk management systems, while the auditing expertise must consist of specialist knowledge and experience in auditing, including accounting and auditing of financial statements as well as sustainability statement and the auditing thereof. The Supervisory Board and its Audit Committee have at least one member with expertise in the area of accounting in the form of Dr Kirsten Stotmeister and at least one other member with auditing expertise in the form of Rolf Wöhrle, who is the chairperson of the Audit Committee. The CVs of Dr Stotmeister and Mr Wöhrle are published on the Company's website at www.sto.de, where they can be found by selecting 'Führung und Management' (Leadership and Management) and then 'Aufsichtsrat der Sto SE & Co. KGaA' (Sto SE & Co. KGaA's Supervisory Board). As can be seen from his CV, Mr Wöhrle has many years of experience in auditing and sustainability after having served as a Chief Financial Officer (CFO) and as a member of various supervisory board audit committees at other listed companies. He also has detailed knowledge and experience in the area of accounting as well as internal control and risk management systems. Dr Stotmeister has proven academic and practical experience and knowledge of accounting principles and internal control and risk management systems from her university research, her doctorate and her work as an investment manager. Mr Wöhrle, who as a financial expert also has the special knowledge required for this office, is independent, is not also Chairperson of the Supervisory Board and was only the Chief Financial Officer of the personally liable partner STO Management SE until 31 December 2023. As already stated in the Declaration of compliance, the personally liable partner and the Supervisory Board of Sto SE & Co. KGaA do not consider this to be a circumstance impairing independence.

In particular, the Finance Committee has the task of reviewing and discussing the Company's investment priorities on the basis of the Company's overall strategy. In addition, it prepares the Supervisory Board's discussion of the financial situation and organisation of the Company, including the annual planning (budget) as well as investments in property, plant and equipment, and financial measures.

A Nomination Committee is formed if elections to the Supervisory Board by shareholder representatives are due. The Nomination Committee is tasked with proposing suitable candidates to the Supervisory Board for the election of Supervisory Board members representing shareholders at the Annual General Meeting. In addition to the required knowledge, skills and professional experience of the proposed candidates, the targets specified by the Supervisory Board for its composition are to be adequately taken into account, while at the same time endeavouring to fulfil the competence profile. The Nomination Committee did not meet in 2025.

4.2.3 Composition of the Supervisory Board and its committees

In accordance with the German Co-Determination Act, the Supervisory Board is made up of an equal number of shareholder and workers' representatives. The Supervisory Board members representing the shareholders are elected by the Annual General Meeting with a simple majority. Elections to the Supervisory Board are regularly held as individual elections. The employees' Supervisory Board members are elected in accordance with the provisions of the Co-Determination Act.

There was a change to the composition of the Supervisory Board's workers' representatives in the 2025 financial year after Petra Hartwig resigned from office on 25 April 2025. Subsequently, the Freiburg district court appointed Sonja Dif, District Manager of the IGBCE Freiburg district, as a Member of the Supervisory Board from 15 May 2025 at the request of the company. There was no change to the composition of the members to be elected by the shareholder representatives. In accordance with the provisions of the German Stock Corporation Act and the German Co-Determination Act as well as the Articles of Association of Sto SE & Co. KGaA, the Supervisory Board of Sto SE & Co. KGaA had equal representation of shareholder and employee representatives in the 2025 financial year as follows:

Peter Zürn

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

Niels Markmann*

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

Maria H. Andersson

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

Thade Bredtmann*

Pfalzgrafenweiler/Germany, Region Head, Sto SE & Co. KGaA, Member of the Supervisory Board since 22 June 2022, Member of the Audit Committee

Klaus Dallwitz*

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

Catharina van Delden

Colonia/Uruguay, Managing Director, Member of the Supervisory Board since 22 June 2022

Sonja Dif*

Freiburg/Germany, Managing Director, IGBCE District Manager for the district of Freiburg/Germany, Member of the Supervisory Board since 15 May 2025

Petra Hartwig*

Bad Zwesten/Germany, Trade Union Secretary at IGBCE, IGBCE District Manager for the district of Kassel/Germany, Member of the Supervisory Board from 22 June 2022 to 25 April 2025

Frank Heßler*

Mannheim/Germany, Political Trade Union Secretary at IGBCE, Member of the Supervisory Board since 14 June 2017

Barbara Meister*

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

Prof Dr Klaus Peter Sedlbauer

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

Dr Kirsten Stotmeister

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

Rolf Wöhrle

Bad Dürkheim/Germany, Board Member, Member of the Supervisory Board since 19 June 2024, Chairperson of the Audit Committee since 19 June 2024

* Employee representatives

In principle, the current term of office ends at the end of the Annual General Meeting in 2027. When proposing new members, the Supervisory Board must ascertain that the candidates can invest the necessary time involved and must examine their personal and business relationships with the Company, its corporate bodies, and major shareholders, and any other criteria listed in C.6 of the GCGC concerning the independence, while also ensuring that the necessary fields of expertise are covered to the required extent.

4.2.4 Diversity of the Supervisory Board/age limit

In accordance with Section 96 Paragraph 2 Sentence 1 of the German Stock Corporation Act, it must be ensured that at least 30 % of the Supervisory Board consists of women or men respectively when new members are being appointed to the Supervisory Board of co-determined listed companies. The minimum percentage must be fulfilled by the Supervisory Board as a whole, unless the shareholder or the employee representatives object to the overall fulfilment in accordance with Section 96 (2) Sentence 3 of the German Stock Corporation Act (AktG). A corresponding objection was resolved and declared by the Supervisory Board of Sto SE & Co. KGaA by both the shareholder representatives and the workers' representatives. Accordingly, the body is to include at least two women or men, respectively, on the side of both the shareholders and the workers' representatives. This obligation is being fully met: Three of the six shareholder representatives on the Supervisory Board of Sto SE & Co. KGaA and two of the six employee representatives are women.

In Section 2 (1) of its Internal Rules of Procedure, the Supervisory Board stipulates that Supervisory Board members should not normally serve beyond the end of the Annual General Meeting following the completion of their 70th year of age.

4.2.5 Expertise and diversity targets, and skills profile

The composition of the Supervisory Board ensures that it has the necessary expertise, skills, and professional experience required to properly carry out its tasks. All members of the Supervisory Board member are proven experts in their respective fields. At its meeting on 30 January 2025, the Supervisory Board resolved to update its competence profile, which also includes the diversity targets within the meaning of Section 289f No. 6 of the German Commercial Code (HGB).

The skills profile is published on the Company's website at www.sto.de, where it can be found by selecting 'Führung und Management' (Leadership and Management) and then 'Aufsichtsrat der Sto SE & Co. KGaA' (Sto SE & Co. KGaA's Supervisory Board).

The Supervisory Board will review the competence profile and targets on a regular basis and report on the further development and achievement of the targets. The status of implementation is disclosed annually in the form of a qualification matrix in the Corporate governance statement. The current skills matrix is shown in the following list.

As explained above, the Supervisory Board consists of five women and seven men. At the time of drawing up

Matrix on the competence profile of the Supervisory Board of the Sto SE & Co. KGaA

(Petra Hartwig until 25 April 2025 and Sonja Dif from 15 May 2025)

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

this report, the ages of the members ranged from 41 to 66. The members of the Supervisory Board come from a variety of occupational and educational backgrounds, some of which are commercial/industrial and some of which are academic. Some members have worked as employees and others have been self-employed in the capacity of specialists or senior executives. One member is a professor at a German university. Several nationalities are represented on the Supervisory Board. The Supervisory Board therefore considers its diversity targets to be fulfilled at present.

As can be seen, two out of the six shareholder representatives sitting on the Company's Supervisory Board have been members of the Supervisory Board for more than twelve years. One Member of the Supervisory Board was a member of the Executive Board of the personally liable partner until 31 December 2023. These members do not have any other characteristics indicating a possible dependency within the meaning of Recommendation C.7 of the GCGC. The Supervisory Board is satisfied that – regardless of how long they have been members of the Company's Supervisory Board – these members are sufficiently independent of the Company and the personally liable partner. By virtue of their personal economic and professional circumstances, none of them are in any way reliant on their Supervisory Board activities for the Company. The Company believes that a mix of different experiences, qualifications and backgrounds is the best way to ensure optimal control of the Company.

Information in accordance with Sections 289a and 315a of the German Commercial Code (HGB) and explanations by the personally liable partner

Sto SE & Co. KGaA wishes to make clear that only non-voting preference shares in its share capital are traded on an organised market within the meaning of Sections 289a and 315a of the German Commercial Code (HGB). Consequently, the following information is only provided in the interest of transparency but without any legal obligation. The following information reflects the situation as at the balance sheet date of 31 December 2025.

Composition of subscribed capital

The subscribed capital of Sto SE & Co. KGaA amounts to a total of EUR 17,556,480.00. It is divided into 4,320,000 registered limited ordinary shares ('ordinary shares') and 2,538,000 limited preference bearer shares ('preference shares') at a notional nominal value of EUR 2.56 each.

Restrictions on voting rights or the transfer of shares

To the knowledge of the personally liable partner STO Management SE, there are no restrictions relating to the transfer of preference shares. In accordance with Sections 4 (1), 16 of the articles of association of Sto SE & Co. KGaA, the preference shares do not confer any voting rights. Of the 4,320,000 ordinary shares, a total of 3,888,000 were held by the Stotmeister family at the end of 2025 (Stotmeister Beteiligungs GmbH 3,888,000 shares), while 432,000 shares were held by Sto SE & Co. KGaA at the end of 2025. As registered shares, the transferability of the ordinary shares held by the family is restricted by the requirement of approval by the Company, represented by the personally liable partner (and by internal family agreements), and is not otherwise traded on the capital market.

Direct or indirect shareholdings in capital exceeding 10 % of the voting rights

The 432,000 ordinary shares held by Sto SE & Co. KGaA do not have any voting rights. As described above, the remaining ordinary shares are held by the Stotmeister family, who thus holds 90 % of what are in principle the shares with voting rights.

Holders of shares with special rights

At Sto SE & Co. KGaA, there are 2,538,000 preference shares with a special right in the form of an advance dividend in the amount of EUR 0.06 as well as a minimum dividend in the amount of EUR 0.13 per preference share in accordance with Section 16 of the articles of association of Sto SE & Co. KGaA.

Type of control of voting rights in case of employee shareholdings

The employees have no autonomous shareholding in Sto SE & Co. KGaA. Nevertheless, no employee is prevented from acquiring and selling preference shares on the capital market.

Appointment and dismissal of the Management Board as well as amendments to the articles of association

In the legal form of a 'Kommanditgesellschaft auf Aktien' (KGaA, partnership limited by shares), the personally liable partner has the legal authority to manage and represent the Company. The personally liable partner of Sto SE & Co. KGaA is STO Management SE. It acts through its Executive Board. The co-determined Supervisory Board of Sto SE & Co. KGaA is not authorised to appoint or dismiss the personally liable partner or its Executive Board as the management body of STO Management SE. Rather, the personally liable partner has joined the Company by means of a declaration. The appointment and dismissal of the Executive Board of STO Management SE is carried out by the Supervisory Board of STO Management SE in accordance

with the provisions of the articles of association and the law. As stipulated by Sections 278 (3), 133, 179 of the German Stock Corporation Act (AktG), amendments to the articles of association of Sto SE & Co. KGaA require a resolution by the Annual General Meeting of Sto SE & Co. KGaA. This resolution requires a majority of at least three quarters of the voting share capital represented at the adoption of the resolution. Furthermore, amendments to the articles of association also require the consent of the personally liable partner STO Management SE in accordance with Section 285 (2) of the German Stock Corporation Act (AktG).

Powers of the personally liable partner STO Management SE, in particular with regard to the possibility of issuing or buying back shares

At Sto SE & Co. KGaA there is currently neither authorised nor contingent capital; no share buyback programme is in place either.

Material agreements of the Company under the condition of a change of control following a takeover bid

With the exception of a syndicated loan contract, the Company has not entered into any significant agreements which would become effective in the case of a change in control. The aforementioned syndicated loan contract stipulates legal consequences in the case that 50 % or more of the capital shares or voting rights in Sto SE & Co. KGaA are to be transferred to one or more persons acting in concert. This does not apply as long as Stotmeister Beteiligungs GmbH directly or indirectly holds more than 50 % of the capital shares and more than 50 % of the voting rights in Sto SE & Co. KGaA.

Compensation agreement of the Company with the members of the management body of the personally liable partner or employees in the event of a takeover bid

The Company has not entered into any compensation agreements with the members of the Executive Board of the personally liable partner or employees in the event of a takeover bid.

Sto SE & Co. KGaA, Stühlingen/Germany

Consolidated annual financial statements of the Sto Group (IFRS)

- Consolidated statement of profit or loss
- Consolidated statement of comprehensive income
- Group balance sheet
- Consolidated statement of changes in equity
- Consolidated statement of cash flows
- Notes to the consolidated financial statements

Sto SE & Co. KGaA, Stühlingen/Germany

Consolidated statement of profit or loss for 2025

in EUR K	Notes	2025	2024
1. Revenue	(1)	1,591,112	1,612,311
2. Changes in product inventories		-1,136	-3,025
3. Other internally generated assets capitalised	(2)	1,019	259
Total revenues		1,590,995	1,609,545
4. Other operating income	(3)	25,705	21,817
5. Cost of material	(4)	-722,360	-735,979
6. Personnel expenses	(5)	-430,334	-435,236
7. Other operating expenses	(6)	-321,368	-330,049
8. Impairment (net) of financial assets	(7)	-5,266	-3,125
EBITDA (earnings before taxes, net financial income/expense, depreciation and amortisation)	(8)	137,372	126,973
9. Depreciation/amortisation of Intangible assets, Property, plant, and equipment as well as Rights of use	(8)	-72,949	-68,162
EBIT		64,423	58,811
10. Earnings from financial assets accounted for using the equity method	(9)	81	92
11. Interest and similar income	(10)	8,667	9,839
12. Interest and similar expenses	(10)	-7,836	-7,869
EBT		65,335	60,873
13. Taxes on income and earnings	(11)	-26,152	-23,251
EAT		39,183	37,622
of which:			
Share of minority interests		3	5
Share of earnings attributable to the shareholders of Sto SE & Co. KGaA		39,180	37,617
Earnings per share basic/diluted in EUR			
Limited ordinary share	(12)	6.07	5.83
Limited preference share	(12)	6.13	5.89

Sto SE & Co. KGaA, Stühlingen/Germany

Consolidated statement of comprehensive income for 2025

in EUR K	2025	2024
EAT	39,183	37,622
FVOCI valuation		
Valuation changes recognised in equity	-527	-93
Deferred taxes	158	26
FVOCI valuation after taxes	-369	-67
Currency translation		
Currency translation differences	-8,675	1,940
Earnings to be reclassified in the statement of profit or loss in future periods	-9,044	1,873
Revaluation of pension obligations		
Profits/losses from the revaluation of defined benefit plans	13,468	2,519
Deferred taxes	-3,774	-772
Earnings not to be reclassified in the statement of profit or loss in future periods*	9,694	1,747
Other earnings after taxes	650	3,620
Total comprehensive earnings after taxes	39,833	41,242
of which:		
Share of minority interests	3	5
Share of earnings attributable to the shareholders of Sto SE & Co. KGaA	39,830	41,237

*For further explanations concerning equity, see Note (22). For further explanations on the revaluation of pension obligations, see Note (24).

Sto SE & Co. KGaA, Stühlingen/Germany **Group balance sheet as at 31 December 2025**

in EUR K	Notes	31 Dec 2025	31 Dec 2024
Assets			
A. Non-current assets			
I. Intangible assets	(13)	55,366	54,549
II. Property, plant, and equipment	(14)	296,432	298,226
III. Rights of use	(15)	104,093	100,129
IV. Financial assets accounted for using the equity method	(16)	2,589	2,508
Fixed assets		458,480	455,412
V. Non-current trade receivables	(18)	804	958
VI. Non-current other financial assets	(19)	54,851	74,558
VII. Non-current other assets	(20)	2,084	800
VIII. Deferred tax assets	(11)	17,241	20,820
Other non-current assets		74,980	97,136
Total non-current assets		533,460	552,548
B. Current assets			
I. Inventories	(17)	145,802	151,076
II. Current trade receivables	(18)	156,989	164,138
III. Current income tax receivables		28,142	15,308
IV. Current other financial assets	(19)	162,765	141,396
V. Current other assets	(20)	21,526	22,919
VI. Cash and cash equivalents	(21)	114,680	110,932
Total current assets		629,904	605,769
Total assets		1,163,364	1,158,317

in EUR K	Notes	31 Dec 2025	31 Dec 2024
Equity and liabilities			
A. Equity			
I. Subscribed capital	(22)	17,556	17,556
II. Capital reserves	(22)	57,804	57,804
III. Revenue reserves and other reserves	(22)	686,942	668,148
Share attributable to the shareholders of Sto SE & Co. KGaA		762,302	743,508
IV. Share of minority interests	(23)	20	20
Total equity		762,322	743,528
B. Non-current provisions and liabilities			
I. Provisions for pensions and similar liabilities	(24)	77,629	90,209
II. Non-current other provisions	(25)	14,102	18,531
III. Non-current lease liabilities	(27)	83,968	77,062
IV. Non-current trade payables	(28)	23	71
V. Non-current other financial liabilities	(29)	2,388	2,353
VI. Other non-current liabilities	(30)	156	8
VII. Deferred tax liabilities	(11)	1,737	1,467
Total non-current provisions and liabilities		180,003	189,701
C. Current provisions and liabilities			
I. Current other provisions	(25)	32,854	35,222
II. Current borrowings	(26)	1,702	1,723
III. Current lease liabilities	(27)	26,214	25,536
IV. Current trade payables	(28)	54,919	58,630
V. Current income tax liabilities		8,171	11,242
VI. Current other financial liabilities	(29)	40,919	38,815
VII. Current other liabilities	(30)	55,843	51,471
VIII. Current contract liabilities		417	2,449
Total current provisions and liabilities		221,039	225,088
Total debt capital		401,042	414,789
Total equity and liabilities		1,163,364	1,158,317

Sto SE & Co. KGaA, Stühlingen/Germany

Consolidated statement of changes in equity as at 31 December 2025

in EUR K	Equity attributable to the shares of the parent company			
	Subscribed capital	Capital reserves	Revenue reserves	Currency translation reserve
Notes	(22)	(22)	(22)	(22)
As at 1 January 2024	17,556	57,804	684,919	3,643
EAT	0	0	37,617	0
Other earnings after taxes	0	0	0	1,940
Total comprehensive earnings	0	0	37,617	1,940
Dividend payout	0	0	-31,897	0
Changes to the companies consolidated	0	0	0	882
Transactions with owners	0	0	4,019	0
As at 31 Dec 2024	17,556	57,804	694,658	6,465
As at 1 January 2025	17,556	57,804	694,658	6,465
EAT	0	0	39,180	0
Other earnings after taxes	0	0	0	-8,675
Total comprehensive earnings	0	0	39,180	-8,675
Dividend payout	0	0	-21,037	0
Changes to the companies consolidated	0	0	0	0
Transactions with owners	0	0	1	0
As at 31 Dec 2025	17,556	57,804	712,802	-2,210

For further details on equity, see Note (22) et seq.

Reserve for pensions	Reserve for FVOCI valuation	Treasury stock	Total	Share of minority interests	Total equity
(22/24)	(22)	(22)		(23)	
-11,985	385	-23,055	729,267	20	729,287
0	0	0	37,617	5	37,622
1,747	-67	0	3,620	0	3,620
1,747	-67	0	41,237	5	41,242
0	0	0	-31,897	-5	-31,902
0	0	0	882	0	882
0	0	0	4,019	0	4,019
-10,238	318	-23,055	743,508	20	743,528
-10,238	318	-23,055	743,508	20	743,528
0	0	0	39,180	3	39,183
9,694	-369	0	650	0	650
9,694	-369	0	39,830	3	39,833
0	0	0	-21,037	-3	-21,040
0	0	0	0	0	0
0	0	0	1	0	1
-544	-51	-23,055	762,302	20	762,322

Sto SE & Co. KGaA, Stühlingen/Germany

Consolidated statement of cash flows for 2025

in EUR K	Notes	2025	2024
Cash flow from operating activities			
EAT		39,183	37,622
Reconciliation of EAT and cash flow from operating activities			
Taxes on income and earnings	(11)	26,152	23,251
Net financial income/expense	(9/10)	-912	-2,062
EBIT		64,423	58,811
Depreciation/appreciation of fixed assets	(8)	72,949	68,162
Earnings from disposal of fixed assets		-442	-867
Earnings from the disposal of consolidated companies and other business units		0	-260
Other non-cash expenses/income		641	501
Income taxes paid		-41,668	-39,326
Change in provisions		-5,909	12,698
Change in net current assets		4,515	-9,203
Cash flow from operating activities		94,509	90,516
Cash flow from investment activities			
Investments in Property, plant, and equipment, and Intangible assets	(13/14)	-43,605	-36,197
Payments for the acquisition of consolidated companies and other business units (less acquired cash and cash equivalents)		0	-3,738
Payments received from other disposal of Intangible assets and Plant, property, and equipment		1,084	2,000
Payment received from the disposal of consolidated companies and other business units (less cash and cash equivalents disposed of)		0	-3,521
Interest payments received		8,378	8,345
Disbursements for financial investments		-150,476	-119,177
Deposits from financial investments		148,400	114,032
Cash flow from investment activities		-36,219	-38,256
Cash flow from financing activities			
Payments to minority shareholders		-3	-5
Disbursements for the repayment portion of the lease liabilities	(27)	-27,235	-26,018
Payments for non-current borrowings	(26)	0	-894
Payments received for current borrowings	(26)	22	32
Payments for current borrowings	(26)	-43	-998
Dividend distributed to shareholders	(12)	-21,037	-31,897
Payments of interest		-4,273	-4,335
Cash flow from financing activities		-52,569	-64,115
Change in cash and cash equivalents from changes in exchange rates		-1,968	406
Changes in cash and cash equivalents due to expected losses on cash and cash equivalents in accordance with IFRS 9		-5	103
Cash and cash equivalents at the beginning of the period	(21)	110,932	122,278
Change in cash and cash equivalents		3,748	-11,346
Cash and cash equivalents at the end of the period*	(21)	114,680	110,932

The statement of cash flows is explained in Note (31).

* Cash and cash equivalents at the end of period equal the item Cash and cash equivalents shown in the balance sheet.

Sto SE & Co. KGaA, Stühlingen/Germany

Notes to the consolidated financial statements as at 31 December 2025

General information

1. Information on the Company

Sto SE & Co. KGaA and its connected, dependent Group companies manufacture and market products, components, and functional systems – energetic and other – which are used in and on buildings and consist of material components and/or coatings. Services aimed at maintaining the value of buildings also form an integral part of the Company's scope of product.

The only shareholder of the personally liable partner STO Management SE, Stühlingen/Germany, is Stotmeister Beteiligungs GmbH, Stühlingen/Germany, in which the Stotmeister families have bundled their assigned Sto SE & Co. KGaA limited ordinary shares. The Stotmeister families hold investments in Stotmeister Beteiligungs GmbH via four Vermögensverwaltungs GmbH & Co. KGs. There is a syndicate and pool agreement for the uniform exercise of voting rights and thus a control group.

Stotmeister Beteiligungs GmbH is the majority shareholder and ultimate parent company of Sto SE & Co. KGaA. Stotmeister Beteiligungs GmbH prepares the consolidated annual financial statement for the largest group of associated companies. The address of Sto SE & Co. KGaA's registered offices is Ehrenbachstraße 1, 79780 Stühlingen/Germany. It has been entered in the trade register of the district court of Freiburg under number HRB 711236.

Sto SE & Co. KGaA is a listed company. Its limited preference shares are listed in the 'Regulated Market' segment for official trading on the stock exchange operated by Deutsche Börse AG, Frankfurt am Main/Germany as well as Börse Stuttgart AG, Stuttgart/Germany. The other Group companies are engaged in the same business sector as Sto SE & Co. KGaA.

The Consolidated annual financial statement and Management report of Sto SE & Co. KGaA was drawn up on 8 April 2026 by the personally liable partner STO Management SE and will be forwarded to the Supervisory Board of Sto SE & Co. KGaA on 15 April 2026 for approval at the Supervisory Board meeting on 23 April 2026.

2. Basis of preparation

Sto SE & Co. KGaA has prepared its consolidated annual financial statement of the Sto Group for the year 2025 in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union and the interpretations issued by the IFRS Interpretations Committee (IFRIC). The supplemental commercial regulations in accordance with Section 315e of the German Commercial Code (HGB) were also applied.

All standards and interpretations subject to compulsory application have been applied.

Effects of new accounting standards

The accounting principles applied remained largely unchanged from the previous year. One exception is the standard listed below, which was applied for the first-time in 2025.

Standard/ Interpretations	Title	Applicable	impacts
Amendments to IAS 21	Lack of exchangeability	1 January 2025	Insignificant

The amendments to IAS 21 supplement the regulations on the exchangeability of currencies. The regulations serve as assistance for companies in determining whether a currency can be exchanged and which spot rate is to be used if this is not the case.

The effects on the assets, liabilities, financial position and profit or loss of the Group are insignificant.

3. International Financial Reporting Standards (IFRS) and Interpretations (IFRIC) issued and not yet mandatory

Accounting standards not applied early

The IASB and IFRIC have adopted further standards and interpretations which were not applied in the reporting period because either recognition by the EU had still been pending or the application had not yet been mandatory.

The time of application in the Group is always the time when a regulation becomes mandatory.

Standard/ Interpretations	Title	Applicable	Impacts
Amendments to IFRS 9 and IFRS 7	Classification and valuation of financial instruments	1 January 2026	Insignificant
Amendments to IAS 7, IFRS 1, IFRS 7, IFRS 9, and IFRS 10	Annual improvements to IFRS – volume 11	1 January 2026	Insignificant
Amendments to IFRS 9 and IFRS 7	Contracts relating to electricity from renewable energy	1 January 2026	Insignificant
IFRS 18	Presentation and disclosures in the financial statements	1 January 2027	Significant
IFRS 19	Subsidiaries without public accountability	1 January 2027	Insignificant

The amendments to IFRS 7 and IFRS 9 - Classification and evaluation of financial instruments - clarify the timing of the recognition and derecognition of certain financial assets and liabilities, with the exception of financial liabilities that have an electronic payment system.

In addition, the guidance for assessing whether a financial asset fulfils the cash flow criterion has been clarified and expanded and the disclosures for financial instruments with contingent cash flows have been expanded.

The annual improvements to IFRS provide clarifications and corrections relating to the accounting of hedging by a first-time user in accordance with IFRS 1, the profit or loss on derecognition and disclosures on default risk in accordance with IFRS 7, the derecognition of lease liabilities by the lessee and the transaction price in accordance with IFRS 9, the determination of a "de facto agent" in accordance with IFRS 10 and the acquisition cost method in accordance with IAS 7.

The amendments to IFRS 7 and IFRS 9 - contracts relating to electricity from renewable energy - clarify the application of the so-called own-use exemption, permit hedge accounting if these contracts are designated as hedging instruments, and add new quantitative and qualitative disclosure requirements.

The new accounting standard IFRS 19 stipulates that, subject to local regulations, authorised subsidiaries are voluntarily permitted to apply the recognition and measurement requirements of 'full IFRS' with reduced disclosure requirements specified in the new standard in their separate or subgroup financial statements. Entitled subsidiaries are those that are not publicly accountable at the end of the period and those whose immediate parent company prepares a consolidated annual financial statement in accordance with IFRS that is publicly available.

The effects on the assets, liabilities, financial position and profit or loss of the Group are insignificant for the explained standards.

In April 2024, the IASB published the new accounting standard IFRS 18 "Presentation and Disclosures in Financial Statements",

which will replace the previous standard IAS 1 "Presentation of Financial Statements". With the introduction of IFRS 18, the IASB is pursuing the targets of improving the presentation of financial information and increasing the transparency and comparability of financial reports. The new standard contains comprehensive requirements for the presentation and structure of key components of the consolidated annual financial statement, including the consolidated statement of profit or loss, the consolidated balance sheet and the consolidated statement of cash flows. In addition, company-specific key performance indicators defined by the Executive Board are to be reported in separate disclosures in the notes. The obligation to apply the standard applies to financial years beginning on or after 1 January 2027. Early application is possible in principle, but is not planned for the Sto Group.

The Group is currently analysing the impacts of IFRS 18, particularly on the structure of the consolidated statement of profit or loss. The introduction of the standard will lead to changes in the presentation of the consolidated statement of profit or loss, some of which will also require a change in the allocation of income and expenses. Income and expenses currently allocated to the net financial income/expense - such as interest income and earnings from financial assets accounted for using the equity method - are expected to be allocated to investing activities in the future. It should be noted that the allocation of some expense and income types to the new categories is currently being discussed in the relevant expert committees, which is why there is no conclusive clarity here as of yet.

4. Companies consolidated

The consolidated annual financial statement of the Sto Group includes Sto SE & Co. KGaA, the national and foreign subsidiaries as well as joint ventures.

Due to the clear allocation, no significant assessments or assumptions were necessary when assessing the companies consolidated.

In the case of subsidiaries, Sto SE & Co. KGaA is able to exercise a controlling influence as defined in IFRS 10. Control as defined in IFRS 10 exists when an investor has exposure or rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investee's returns. In the present consolidated annual financial statement, this is the case for shareholdings of more than 50 % without exception.

In the case of joint ventures, Sto can exercise joint control over another company together with at least one other party via contractual agreements. Joint control is the case when decisions on the relevant activities of the company must be taken unanimously. Depending on the rights and obligations of the parties, joint agreements are either joint operations or joint ventures. In joint operations, the controlling parties have direct rights to the assets and obligations to the liabilities. In the case

of joint ventures, the parties with joint control have a share in the net assets of the company by virtue of their status as partners. Consolidation was carried out using the equity method and related to Inotec GmbH, Waldshut-Tiengen/Germany.

The companies consolidated are disclosed in Note (40) List of subsidiaries and investments. Sto SE & Co. KGaA hence prepares the consolidated annual financial statement for the smallest group of associated companies. The following fully-consolidated German companies organised as a 'Kapitalgesellschaft' (share capital company) or as a 'Personengesellschaft' (private company) according to Section 264a of the German Commercial Code (HGB) have fulfilled the conditions of Section 264 (3) and/or Section 264b of the HGB in terms of preparation facilitation options and disclosure and make use of the exemption rules:

- StoCretec GmbH, Kriftel/Germany
- Innolation GmbH, Lauingen/Germany
- JONAS Farben GmbH, Wülfrath/Germany
- Sto BTN GmbH, Stühlingen/Germany
- Liaver GmbH & Co. KG, Ilmenau/Germany
- Südwest Lacke + Farben GmbH & Co. KG, Böhl-Iggelheim/Germany
- Ströher Produktions GmbH & Co. KG, Dillenburg/Germany
- Gefro Verwaltungs-GmbH & Co. KG, Stühlingen/Germany

Changes to the companies consolidated

The companies consolidated are unchanged compared to the same day of the previous year.

The liability for a variable purchase price for the acquisition of the remaining 48 % of the shares in Sto Italia Srl, Empoli/Italy in November 2022, which is to be paid in June 2027, was reduced by EUR 1 K to the lower limit of EUR 2,171 K due to interest.

• Corporate acquisitions in the previous year

With effect from 1 April 2024, 100 % of the equity shares in the New Zealand sales partner Stoanz Ltd, Wellington/New Zealand, were acquired by Sto SE & Co. KGaA and control was thus obtained in the sense of the incorporation in the consolidated annual financial statement of the Sto Group. The total purchase price was EUR 4,390 K.

Stoanz Ltd is a supplier of facade insulation systems and high-quality exterior and interior render and plaster systems and coatings in New Zealand. The acquisition expanded the Sto Group's international presence.

The fair values of identifiable assets and liabilities at the time of acquisition were as follows:

in EUR K	Fair value as at the time of acquisition
Intangible assets	1,054
Property, plant, and equipment	144
Rights of use	1,056
Inventories	1,944
Trade receivables	671
Other receivables and financial assets	47
Cash and cash equivalents	652
Total equity and liabilities	5,568
Provisions	4
Trade payables	452
Borrowings	965
Lease liabilities	1,056
Other liabilities	727
Deferred tax liabilities	348
Total liabilities	3,552
Total identifiable net assets at fair value	2,016
Minority shares evaluated at the value of the net assets	0
Acquired shares evaluated at the value of the identifiable net assets	2,016
Goodwill from corporate acquisition	2,374
Transferred consideration	4,390

The goodwill of the corporate acquisition is based on growth opportunities in the New Zealand market and on the knowledge, experience and skills of the personnel. It is not deductible for tax purposes.

in EUR K	Cash outflow due to corporate acquisition
Transaction costs of the corporate acquisition (EUR 147 K included in cash flow from operating activities 2023, EUR 136 K in cash flow from operating activities 2024)	-283
Cash and cash equivalents acquired with the subsidiary (contained in the cash flows from investment activity)	652
Liabilities to banks assumed with the subsidiary (included in cash flows from financing activities)	-965
Outflow of cash and cash equivalents (contained in the cash flows from investment activity)	-4,390
Actual cash outflow due to corporate acquisition	-4,986

Turnover since the acquisition in the financial year 2024 totalled EUR 5,169 K, earnings after taxes, but before the effects of the purchase price allocation, amounted to EUR 480 K.

• Company disposals in the previous year

In December 2024, the subsidiary Sto Ltd., Paisley/ Great Britain was deconsolidated due to technical insolvency with an effect on income of EUR 260 K recognised in other operating income.

5. Consolidation principles

The assets and liabilities of the companies in and outside of Germany included in the consolidated financial statements are recognised and measured in accordance with the uniform accounting and valuation policies.

Receivables and liabilities as well as expenses and income between consolidated companies are netted. Inventories and fixed assets are adjusted for interim results. The income tax consequences of consolidation are taken into account through the recognition of deferred taxes.

The shares in joint ventures or associated companies accounted for using the equity method are valued in accordance with the same accounting and valuation policies which are also applied to the determination of the share of equity of fully-consolidated companies.

6. Presentation of the major accounting and valuation policies

The current/non-current distinction was observed in the recognition of assets and liabilities. The statement of profit or loss was prepared using the total cost method. The financial year is identical to the calendar year. The consolidated financial statements were prepared in euros. Unless otherwise indicated,

the values were rounded up or down to the nearest thousand euros (EUR K).

The accounting and valuation policies relevant for preparing the consolidated financial statements are as follows.

Currency translation

Monetary items (cash and cash equivalents, receivables and liabilities, etc.) are first translated at the rate prevailing on the transaction date and then measured at fair value through profit or loss as at the reference date. Non-monetary items recognised at historical costs of acquisition or production are translated using the rate at the time of the transaction.

The financial statements prepared in a foreign currency were translated in accordance with the functional currency principle using the modified closing rate method in accordance with IAS 21.

The functional currency is defined as the national currency in question as the companies perform their business independently in financial, economic and organisational terms, and mainly in the currency of the respective country.

Assets and liabilities were translated at the closing rate, and expenses and income at annual average rates. Equity is translated

EUR 1 =	Closing rate on		Average annual rate	
	31 Dec 2025	31 Dec 2024	2025	2024
AUD Australia	1.75810	1.67720	1.75180	1.63970
BRL Brazil	6.43640	6.42530	6.30720	5.82830
CAD Canada	1.60880	1.49480	1.57870	1.48210
CHF Switzerland	0.93140	0.94120	0.93700	0.95260
CLP Chile	1,057.83500	1,028.73410	1,075.09420	1,021.32320
CNY People's Republic of China	8.22620	7.58330	8.11850	7.78750
COP Columbia	4,457.41730	4,580.21400	4,620.74150	4,455.89150
CZK Czech Republic	24.24500	25.18500	24.68800	25.12000
DKK Denmark	7.46890	7.45780	7.46340	7.45890
GBP Great Britain	0.87260	0.82918	0.85679	0.84662
HUF Hungary	385.15000	411.35000	397.77000	395.30000
MXN Mexico	21.11800	21.55040	21.67050	19.83140
MYR Malaysia	4.76820	4.64540	4.83390	4.95030
NOK Norway	11.84300	11.79500	11.71730	11.62900
NZD New Zealand	2.03800	1.85320	1.94220	1.78800
PLN Poland	4.22670	4.27300	4.23970	4.30580
SEK Sweden	10.82150	11.45900	11.06630	11.43250
SGD Singapore	1.51050	1.41640	1.47560	1.44580
TRY Türkiye	50.48380	36.73720	44.81610	35.57340
USD USA	1.17500	1.03890	1.13000	1.08240

at historic rates. Any resultant currency translation differences are recognised separately under equity and with no effect on profit or loss until such time as the subsidiary in question is deconsolidated.

Financial Reporting in Hyperinflationary Economies

Since the financial year of 2022, Türkiye has been classified as a hyperinflationary economy in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies. The activities in this country are therefore not accounted for on the basis of historical costs of acquisition or production, but are presented adjusted for the impact of inflation. The consumer price index CPI (Tüketici fiyat endeks rakamları) was used for this purpose. The value of the index applied as at the balance sheet date was 3,513.87 (2024: 2,684.55; 2023: 1,859.38; 2022: 1,128.45).

The accounting method chosen by the Group when applying IAS 29 is to present the combined effect of the adjustment of the opening balance resulting from the inflation adjustment in accordance with IAS 29 and the foreign currency translation in accordance with IAS 21 as a net change for the year in other earnings. This effect totalled EUR 680 K in the year under review (previous year: EUR 876 K).

The monetary loss that arises from hyperinflation accounting is included in other operating expenses.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of acquisition of a company comprises the sum total of the consideration transferred, measured at fair value at the time of acquisition, and of the shares without a controlling influence (minority interests) on the company acquired. The purchaser values the shares of minority interests of the acquired company, either at fair value or at the corresponding share of the identifiable net assets of the company acquired.

Costs incurred within the scope of a business combination are recognised as expenses and reported as administrative costs within other operating expenses. An agreed contingent consideration is recognised at fair value at the time of acquisition. Any subsequent changes to the fair value representing an asset or a liability are recognised in the Statement of profit or loss. A contingent consideration classified as equity is not remeasured, and its settlement at a later date is accounted for in equity.

When the Group acquires a company, the classification and designation of financial assets and liabilities in accordance with the contractual terms and conditions, and the economic circumstances and conditions are assessed.

Goodwill is the surplus of the consideration transferred and the shares without a controlling influence on the identifiable assets acquired and liabilities assumed. Such goodwill is submitted to testing once a year or as needed to determine any impairment in its value (impairment-only approach). In case of a lack of recoverability, the corresponding impairment is recognised

accordingly. If the consideration transferred is less than the fair value of the net assets acquired, then the difference must be recognised with an impact on profit or loss.

In the case of successive corporate acquisitions, the previously acquired equity share is remeasured at fair value at the time of acquisition and the result is recognised through profit or loss.

Borrowing costs

Borrowing costs are interest and other costs incurred by a company in connection with taking on debt capital.

Borrowing costs which are to be directly assigned to the acquisition, construction or manufacture of an asset for which a substantial period of time is required in order to render the asset ready for its intended use or sale are capitalised as part of the cost of acquisition or production of the relevant asset. All other borrowing costs are recognised as an expense in the period in which they were incurred.

The Group did not hold any assets to which borrowing costs were directly allocated. The unallocated portion of borrowing costs was insignificant.

Intangible assets

Intangible assets with indefinite useful lives, including goodwill, are tested for impairment annually and additionally if there are indications of impairment.

As in the previous year, the useful lives for patents were generally 20 years, provided there is no lower statutory period of protection, 3 to 8 years for software and 3 to 20 years for other intangible assets. These assets were depreciated/amortised exclusively on a straight-line basis.

To determine impairments, the carrying amount of the cash-generating unit (CGU), including the allocated goodwill, which is the smallest identifiable group of assets that generates cash inflows which are independent of the cash inflows from other assets or groups of assets, is compared with the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the fair value less cost of sale and the value in use determined on the basis of discounted future cash flows. The recoverable amount was determined using the value in use.

If the necessary impairment from the determination of the value in use of the CGU is greater than the goodwill, the exceeding impairment is distributed across the remaining assets of the CGU taking into consideration the fair values of the assets as the lower value limit.

With the exception of Sto SE & Co. KGaA, Ströher, and Sto China, the CGUs are identical to the legal entities. The CGU Sto SE & Co. KGaA is made up of the legal entities Sto SE & Co. KGaA, Stühlingen/Germany, Verotec GmbH, Lauingen/Germany, and StoCretec GmbH, Kriftel/Germany. The CGU Ströher consists of the legal entities Ströher GmbH, Dillenburger/Germany, GEPADI Fliesen GmbH,

Dillenburg/Germany, and Ströher Produktions GmbH & Co. KG, Dillenburg/Germany. The CGU Sto China consists of the legal entities Shanghai Sto Ltd., Shanghai/China, Langfang Sto Building Material Co. Ltd., Langfang/China, and Wuhan Sto Building Material Co. Ltd., Wuhan/China.

The 5-year plan as at 31 December 2025 for the financial years of 2026 to 2030 of the respective CGUs taking into account the expectation of a positive development in demand for thermal insulation and the planning of maintenance investments was the starting point for the valuation, based on the best possible consideration of all information available internally and externally. External information was forecasts based on the economic situation and the material internal information related to forecasts based on empirical values in the 5-year plan. For the CGUs, growth rates of 1.0 % (previous year: 1.0 %) were assumed for the period beyond the planning horizon, as this adequately reflects the uncertainties of future periods.

For discounting the cash flows, the weighted average cost of capital after taxes (WACC after taxes) were used as the discount factor, which differed by country-specific variations. Based on the respective WACC after taxes, the implicit WACC before taxes was determined by iteration. The WACC takes into account equity costs, which include a risk-free basic interest rate and the respective entrepreneurial risk (market risk premium and country risk premium multiplied by a specific beta factor), as well as borrowing costs. The WACC before taxes was between 8.0 % and 12.7 % (previous year: 9.0 % to 15.4 %).

The following pre-tax interest rates were applied to the CGUs Sto SE & Co. KGaA, Beissier S.A.S. and Sto Australia Pty Ltd, which are significant due to existing goodwill: Sto SE & Co. KGaA 10.5 % (previous year: 11.2 %), Beissier S.A.S. 11.2 % (previous year: 11.8 %), Sto Australia Pty Ltd 10.9 % (previous year: 11.8 %).

An impairment test was carried out in the year under review due to the economic development of the CGU Sto Australia Pty Ltd with negative deviations from the planned turnover and earnings targets.

During the impairment test, a recoverable amount of EUR 13,310 K was determined. The carrying amount of the CGU was reduced by EUR 1,940 K due to an impairment of goodwill. The recoverable amount of the impaired CGU corresponds to the value in use. The discount rate before taxes used for the cash flow forecast was 10.9 % for Sto Australia Pty Ltd (previous year: 11.8 %).

Due to the economic development of the CGU Ströher with negative deviations from the turnover and margin targets, an impairment test was carried out at the CGU level, just like the year before. During this impairment test, a recoverable amount of EUR 33,667 K was determined. The necessary impairment of EUR 3,121 K could not be allocated to any other assets, as the Fair Values of the CGU's assets were higher than the respective carrying amounts. In the previous year, a recoverable amount

of EUR 17,963 K was determined as part of the impairment test and the carrying amount of the CGU was reduced by a total of EUR 689 K due to impairments of the GEPADI Fliesen GmbH and Ströher GmbH brands. The additional necessary impairment of EUR 19,453 K could not be allocated to any other assets, as the Fair Values of the CGU's assets were higher than the respective carrying amounts. The Fair Values of the material assets were determined on the basis of standard land values (in Germany: Bodenrichtwerte), expected market prices of used machinery and acquisition costs in the case of property, plant and equipment and on the basis of net realisable amount in the case of inventories. As in the previous year, the recoverable amount of the CGU corresponds to the value in use. The discount rate before taxes used for the cash flow forecast was 10.3 % for the CGU Ströher (previous year: 10.0 %).

For the remaining CGUs, sensitivity analyses have shown that there was no need for impairment of goodwill even if the assumptions deviate. The sensitivity analyses were based on a change in the average equity costs after taxes of +0.5 percentage points (previous year: +0.5 percentage points) and a change in turnover of -5.0 percentage points (previous year: -5.0 percentage points).

The essential goodwill items are listed in Note (13).

Property, plant, and equipment

Property, plant, and equipment are recognised at acquisition or production cost less cumulative depreciation and cumulative impairment losses.

The acquisition costs comprise the purchase price and incidental acquisition costs including import duties and non-refundable purchase taxes as well as any costs less acquisition cost discounts directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

The production costs comprise the expenses incurred in utilising goods and services for such a production or manufacture. This includes the directly attributable costs and a reasonable share of the necessary overheads.

Depreciation is calculated on a straight-line basis using the following useful lives:

	Useful life
Buildings	20 to 30 years
Fixtures to land	8 to 12 years
Technical equipment and machinery	8 to 10 years
Other plant, operating and business equipment	3 to 20 years

The useful lives and residual carrying amounts are audited regularly. Maintenance and small repairs are recognised through profit or loss. Plants under construction are assigned to Property, plant, and equipment and are recognised at their procurement and production costs. Depreciation/amortisation only takes place from the time of readiness for operation.

Impairment of Intangible assets, and Property, plant, and equipment

Property, plant, and equipment, and Intangible assets are tested for impairment if there is any evidence that their carrying amount may no longer be recoverable. If the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recorded with an impact on profit or loss. The recoverable amount is the higher value of the net realisable amount and the value in use.

The net realisable amount is the amount which can be recovered from the sale of the asset less the incurred costs of sale, whereas the value in use is the present value of the estimated future cash flows expected from the use plus the remaining value at the end of its useful life. The recoverable amount is either determined for an individual asset, if it generates cash and cash equivalents independently from other assets, or for the cash-generating unit in total.

If the reasons for an impairment no longer exist or if the impairment has decreased, an appreciation in value is recognised as income. No reversal is made to an impairment of goodwill.

Financial assets accounted for using the equity method

These financial assets related to a joint venture for which there is a contractual agreement regarding the joint control of the company.

The shares are accounted upon addition at their cost of acquisition. Then the carrying amount of the shares is adjusted annually to recognise the share of earnings, distributed dividends, impairment, and other changes to equity. An impairment is recognised in profit and loss as the difference between the recoverable amount and the carrying amount of the share. If the reasons for an impairment no longer exist or if the impairment has decreased, an appreciation in value is recognised with an impact on profit or loss.

Leases

In accordance with IFRS 16, for all material leases, assets are recognised for rights to use leased assets and liabilities at present values for payment obligations incurred. The option created in IFRS 16.4 to exclude Intangible assets from the scope of IFRS 16 is generally used. The lease liabilities include the following lease payments:

- Fixed payments, less lease incentives payable by the lessor;
- variable payments that are connected to an index or interest rate;
- expected residual-value payments from residual-value guarantees;
- the exercise price of a call option if the exercise was classified as sufficiently certain;
- any penalty payments due to early termination of the lease.

Lease payments are discounted at the interest rate implicit in the lease if this can be determined. Otherwise, they are discounted at the incremental borrowing rate of interest of

the lessee. In determining the incremental borrowing rates of interest, reference interest rates for a period of up to 30 years from the yields of German and US government bonds were used. Countries that belong to neither the European nor the US currency area were allocated to the two currency zones approximately on the basis of the country-specific yields of government bonds. The benchmark interest rates were supplemented by a risk premium.

The interest expense was recognised in net financial income/expense over the term of the leases.

The rights of use are valued at acquisition costs and are composed as follows:

- lease liability,
- lease payments made on or before provision less lease incentives received, and
- initial direct costs.

Subsequent measurement is at amortised costs. The right of use is depreciated on a straight-line basis over the term of the lease or, if shorter, over the economic useful life of the leased asset. The useful life and the residual carrying amount of open-ended contracts are evaluated every two years on the basis of the 5-year plan. Contractually agreed lease extension options are recognised in the balance sheet if the exercise of the option is highly probable.

In the case of leases with a term of no more than twelve months or leases with low-value assets of up to EUR 5 K, the Group applies the exemptions of IFRS 16.6 and recognises the lease payments of these contracts as expenses under other operating expenses.

In the case of contracts which include both lease and non-lease components, the Group has decided not to apply the practical expedient of IFRS 16.15 and separates the lease components from the non-lease components.

Inventories

Inventories were assessed as follows:

- Raw materials, processing aids, operating materials, and trading goods: Weighted average price
- Finished products and work in progress: Direct labour and material costs as well as a reasonable share of the production overheads, based on the normal capacity of the production equipment net of borrowing costs.

Inventories were recorded at the lower of acquisition or production cost and the net realisable amount. The net realisable amount is the recoverable selling price in the ordinary course of business less the costs of completion and the costs necessary to make the sale.

Impairments were also recognised on the basis of overstocking in order to take account of the risk of the realisability of inventories. The ranges of coverage classes defined in the estimation

method and the corresponding discounts were analysed in the year under review on the basis of empirical values and current developments and applied unchanged from the previous year.

Contract liabilities

Contract liabilities were recognised if consideration was paid or the right to consideration existed prior to the transfer of the asset. A contract liability is therefore the obligation of the company to transfer goods or services to the customer for which it has received consideration from the customer. As the item as a whole is not material, no further explanations have been provided on the balance sheet item and its development.

Financial instruments

According to IFRS 9, a financial instrument is a contract, not necessarily in writing, that gives rise to a financial asset for one company and a financial liability or equity instrument for another. Impairments are recognised on the basis of the expected credit loss method by anticipating future payment defaults as at the balance sheet date or by recognising specific risks through individual impairment.

Financial assets are categorised as follows:

- Financial instruments measured at fair value through profit or loss (= FVTPL)
- Financial instruments measured at fair value with no impact on profit or loss (fair value through other comprehensive income = FVOCI)
- Financial assets at amortised costs (= FAAC)

Financial liabilities are categorised as follows:

- Financial liabilities at fair value through profit or loss (= FLTPL)
- Financial liabilities measured at amortised cost (= FLAC)

Financial instruments measured at fair value through profit or loss

Financial instruments at fair value through profit or loss include financial assets held for trading, derivatives as well as financial assets for which the fair value option was selected upon initial recognition.

Financial assets are classified as held for trading if the business model is designed to sell the financial assets in the near future or if the cash flows do not solely consist of interest and principal payments. Profits and losses in this category are recognised through profit or loss.

Reclassification to financial instruments measured at amortised costs depends on the nature of the asset and does not affect financial instruments designated at fair value through profit or loss under the fair value option.

Financial instruments measured at fair value with no impact on profit or loss

Financial assets are measured at fair value with no effect on profit or loss if the business model is designed to hold and sell the assets to generate cash flows and if cash flows consist exclusively of interest and principal payments.

Financial instruments in this category are measured at fair value and changes in value are first recognised in reserves with no impact on profit or loss. When a debt capital instrument is derecognised, the accrued profits or losses are reclassified to the statement of profit or loss ('recycling'). When an equity instrument is derecognised, any accrued gains or losses remain in equity without reclassification.

Financial assets at amortised costs of acquisition

In case of financial instruments measured at amortised acquisition costs, the business model is designed to hold assets to generate cash flows which consist exclusively of interest and principal payments and for which the fair-value option is not exercised.

After initial recognition, these financial assets are measured at amortised costs of acquisition using the effective interest method. Profits and losses are recognised through profit or loss when a financial asset is derecognised or impaired as well as through the amortisation process.

Financial instruments are classified upon initial recognition. Permissible and necessary reclassifications are carried out at the end of the financial year.

Receivables and liabilities are netted if the requirements for offsetting as stipulated in IAS 32 are met.

Financial liabilities at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss comprise financial liabilities held for trading and those classified at fair value through profit or loss upon first-time recognition.

The Group did not make use of the designation of financial liabilities at fair value through profit or loss.

Financial liabilities at amortised cost

Financial liabilities measured at amortised costs are recognised at fair value taking into consideration transaction costs and subsequently measured using the effective interest method less principal payments and taking into account discounts and premiums.

Profits or losses are recognised through profit or loss upon derecognition or disposal. Derecognition is carried out if the obligation underlying the liability no longer exists.

If an existing financial liability is exchanged by some other financial liability of the same lender subject to substantially different contractual terms and conditions, or if the terms and conditions of an existing liability are significantly changed, then such an exchange or modification will be treated as derecognition of the original liability and recognition of a new liability. The difference between the carrying amounts is recognised through profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments in the form of currency forwards to hedge cash flow variations from currency risks arising from future transactions.

Derivative financial instruments were recognised at fair value at the time the contract is concluded and measured at fair value through profit or loss in subsequent periods, with reference to current forward exchange rates for contracts with similar maturity structures. To that end, an asset or a liability was recognised in connection with an expense or income.

In the past financial year, there were no hedge relationships satisfying the strict hedge accounting criteria.

Trade receivables

Trade receivables were recognised at amortised acquisition costs.

The recognition of impairments is based on estimates regarding expected loan defaults (expected credit loss model) for all financial assets measured at amortised cost as well as debt instruments measured at fair value through other comprehensive income. To determine provisions for loss, IFRS 9 provides a three-level model. A risk provision is thus created at level 1 on the basis of the expected 12-month credit losses, or at level 2 on the basis of the expected credit losses over the term if the credit risk has deteriorated significantly since initial recognition, or at level 3 if there was a specific risk of default on the financial instrument. For trade receivables, a simplification rule was used according to which the defaults expected over the remaining term of the financial instrument were recognised.

In the year under review, the default probabilities for trade receivables were primarily determined according to age structure ranges over 12-month periods from the immediate past and subsequently recognised as an impairment with an effect on expenses, with the calculated default rates adequately reflecting the risks. The default probability was calculated as the average of the largest companies in the Group for the respective age structure range and then used as the basis for the entire Group. In addition, macroeconomic factors, such as the forecast global economic development and the forecast for the national sales markets relevant to the Group, were also taken into account when determining the default probabilities.

On the basis of the business model and the industry affiliation, trade receivables showed a significant increase in the default risk if they were more than a year overdue. There was no significant increase in the default probability if they were more than 30 days overdue. The reason for this is the fact that the Group particularly operated in projects-based business. This means that there were delays between completion and acceptance of the work by the client – something that is customary in the industry.

In addition, impairments were recognised on the basis of individual impairments if there was objective, substantial evidence

to support this. Substantial evidence was defined as insolvency of the debtor and the involvement of a lawyer for the recovery of the receivable. The amount of the individual impairment depended on the estimate of the respective technical expert. At each reporting date, an assessment is made as to whether an impairment recognised in previous periods no longer exists or may have decreased. Appreciation in value is recognised in particular if the review of the assumptions of the expected credit loss model results in lower default risks or if the risks are reduced or eliminated in the case of individual impairments. Appreciations in value are made up to a maximum of amortised acquisition costs and are recognised through profit or loss.

The final derecognition of a receivable occurred when insolvency proceedings were initiated, the debtor submitted an affidavit in lieu of an oath, or if it was foreseeable for other reasons that there would be no incoming payment. Derecognised trade receivables continued to be regularly reviewed for the possibility of recovery.

A credit assessment of customers was carried out by obtaining information from credit agencies and various companies using credit management software, which was also used to determine the credit limit. If the credit limit was exceeded, approval of further deliveries was usually only given after an examination of the specific case.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and credit balances with banks including liquid deposits available at short notice with original settlement periods of a maximum of three months, which can be converted into cash and cash equivalents at any time, and which are not subject to any significant fluctuations in value.

The impairment was determined using the cost of hedging by means of credit default swaps with a maturity of twelve months.

Other financial assets

Other financial assets, with the exception of derivative assets and financial investments held for sale, were recognised at amortised acquisition costs.

Other financial assets included financial investments with a good rating and low default risk for which the expected credit losses were determined in accordance with level 1 using credit default swaps by recognising the costs required for hedging as provisions for loss. On the other hand, current loans to associated companies as well as creditors with debits, bonuses and credits were included, for which provisions for loss were recognised in accordance with level 1 on the basis of default probabilities determined by Creditreform. Please refer to the section on trade receivables for an explanation of the stage model.

Other assets

Other assets were accounted for at amortised acquisition costs.

Other assets include prepaid expenses, other tax assets, other receivables and other payments made on account.

Treasury stock

Sto SE & Co. KGaA's treasury stock was deducted from equity. The purchase, sale, issue and redemption of treasury stock is not recognised in profit and loss.

Pension provisions

Actuarial measurement of the pension provisions as part of defined benefit commitments is based on the projected-unit-credit method for defined benefit plans for pension schemes as defined in IAS 19. Under this method, the pension obligations and acquired entitlements existing at the balance sheet date are determined on the basis of average life expectancy, future salary and pension increases, the expected retirement age, and the expected fluctuation. Average life expectancy is estimated on the basis of acknowledged biometric models.

Actuarial gains and losses from the changes of assumptions are recognised after the consideration of deferred taxes in other earnings with no impact on profit or loss.

The defined benefit asset or liability comprises the present value of the defined-benefit obligation less existing plan assets which are used to directly settle obligations. The plan assets are qualified insurance policies that are protected against access by creditors and cannot be paid out to the Group. Valuation is based on the fair value that corresponds to the present value of the covered liability.

Other provisions

In accordance with IAS 37, provisions are formed for present liabilities towards third parties from a past event which is likely to result in a future outflow of economic resources, the amount of which can be estimated.

If the interest effect has a significant impact in connection with the settlement of the obligation, the provisions are recognised at the present value of the expected expenses, which also includes expected cost increases. The discounting is based on risk-free interest rates.

If the conditions for setting up a provision are not met but the likelihood of an outflow of resources embodying an economic benefit is not unlikely, the corresponding liabilities are reported under contingent liabilities.

Trade payables and other financial liabilities

Trade payables and other financial liabilities are measured at amortised cost of acquisition. Any differences between historical acquisition costs and the settlement amount are reported in accordance with the effective interest method.

Deferred taxes

As a matter of principle, deferred taxes are recognised for all temporary differences between the tax balance sheet and the consolidated balance sheet.

Deferred tax assets on tax loss carryforwards are to be recognised if use is probable. They are not set up if a temporary difference arises from goodwill or from the initial recognition of other assets and liabilities which affects neither tax earnings nor commercial earnings.

Deferred tax assets which are not expected to be recognised in a defined period of time are impaired. At each balance sheet date, an assessment is made as to whether the asset is eligible for capitalisation.

Deferred tax liabilities are formed for temporary differences arising from shares in subsidiaries, associated companies, and joint ventures unless the parent company is able to control the reversal of the temporary difference and the temporary difference is unlikely to reverse within a defined time period.

Deferred tax assets and liabilities are netted if the deferred taxes relate to one and the same taxpayer and the same taxation authority and if there is a legally enforceable right to set off the tax reimbursement claims against tax liabilities.

Deferred taxes are measured taking into account the national income tax rates as at the date of realisation as well as on the basis of the tax law applicable at that time.

Deferred taxes are recorded as income or expense in the Statement of profit or loss unless they relate to items recognised in equity with no impact on profit or loss. In this case the deferred taxes are also recognised in equity with no impact on profit or loss.

Recognition of income and expenses

Revenues from contracts with customers are recognised when control of the goods or services is transferred to the customer.

In the manufacture of products and systems for thermal insulation and building coatings, revenues from contracts with customers mainly result from deliveries of goods, which are generally recognised at the time of delivery. Payment is usually made 30 to 90 days after delivery. In addition, services are provided on a small scale for which the sales revenues are recorded in the time period in which the services are rendered.

Some contracts are designed in such a way that both an original delivery of goods and an associated craftsman's service are provided. These are service obligations to be accounted for as a whole, as the delivery and processing of the materials are related in accordance with the underlying agreement. Revenue is recognised when the service has been rendered in full.

For an insignificant number of projects, income and expenses were recognised over the term. Expenses and income were recognised using both the input method in terms of the costs incurred up to the balance sheet date in relation to the total costs incurred and the output method in terms of the revenue incurred up to the balance sheet date in relation to the total revenue. As the income and expenses recognised over the term

are not material overall, no further explanations have been provided in this regard, particularly with regard to revenue and its development.

The Group was responsible for providing the statutory warranty for remedying defects. Provisions were made for expenses expected to be incurred as a result. Furthermore, in rare cases, the Group granted warranties that extended beyond the statutory period. These were separate performance obligations of the Group for which the sales revenues were deferred as contract liabilities on a case-to-case basis and were recognised with an impact on profit or loss over the contract term.

The amount of revenue recognised corresponds to the consideration expected to be received by the Group in exchange for the goods or services. If a contractual consideration includes a variable component, the Group determines the amount of the consideration to be received in exchange for the transfer of the goods or services. The variable consideration is estimated at the inception of the contract and may be included in the transaction price only if it is probable that there will be no significant change in the revenues or, respectively, if the uncertainty associated with the variable consideration is low.

In determining transaction prices, expected rebates and discounts are separated from the agreed price, both in the case of the separate sale of goods or services and in the case of the combined sale, according to the principle of individual valuation, without revenue being recognised for them.

In principle, payments to be received from customers are short-term, i.e. at the inception of the contract it is expected that the period between the transfer of the good or service and payment will not exceed one year. In this regard, the Group makes use of the relief regulation of IFRS 15 and waives the discounting of the consideration.

In addition, the Group makes use of the simplification regulation of IFRS 15.121 and does not disclose any remaining performance obligations whose underlying contracts have an expected original term of one year or less.

Revenue other than from contracts with customers is recognised if it is probable that economic benefits will flow and if the revenue amount can be determined reliably, irrespective of the time of payment. Revenue is measured at the fair value of the consideration received or to be received, taking into account contractually agreed payment terms, excluding taxes or other levies.

Interest income and interest expenses are recognised for all financial instruments measured at amortised cost using the effective interest rate. This is the discount rate used to discount estimated future cash receipts and payments over the expected term of the financial instrument or, if applicable, a shorter period, to the net carrying amount of the financial asset or financial liability. It is reported in the Statement of profit or loss as part of net financial income/expense.

Operating expenses are reported upon utilisation of the service or on the date on which they are caused.

Research and development costs

The main tasks of the research and development department are the identification of alternative materials, products, and processes. Research and development costs were recognised with an impact on profit or loss since capitalisation of the development costs in the form of Intangible assets was not possible in accordance with IAS 38 as the recognition criteria were not met. In the case of the development projects in question, it is only clear at a late stage whether the conditions for recognition are met, so that the expenses incurred prior to this are not eligible for capitalisation and, on the other hand, the expenses incurred from this point on are relatively low. In the year under review, research and development costs of EUR 15.7 million (previous year: EUR 15.3 million) were recognised with an impact on profit or loss.

Funding from the public sector

Funding from the public sector is recognised in accordance with IAS 20 if there is certainty that the conditions for the funding will be met in the form of conditions and that the funding will be granted.

Expense-related funding is collected through profit or loss in the period in which the expenses to be defrayed are incurred. The conditions to be fulfilled will be reviewed when the grant is called in in order to prevent repayments later on.

Income Taxes

Income taxes include both current and deferred income taxes. Income taxes are recognised through profit or loss unless they are related to an item that is recognised directly in the consolidated statement of comprehensive income. Current income taxes are calculated on the basis of taxable earnings using the tax rates applicable on the balance sheet date.

Events after the balance sheet date

Value-enhancing events occurring after the balance sheet date which provide significant information on the Group's situation as at the balance sheet date are included in the Statement of financial situation. Events occurring after the balance sheet date that impact value are disclosed in the Notes.

Discretionary decisions by Management

The preparation of the consolidated financial statements required discretionary decisions by Management, which affected the recognition and valuation of the reported assets, and liabilities, income, and expenses in the reporting period.

This affected segment reporting in accordance with IFRS 8, in which the operating business segments were divided into Western Europe, Northern/Eastern Europe, and America/Asia/Pacific in line with internal corporate governance and the internal reporting that follows this governance.

The financial assets include financial instruments that meet the business model condition and the cash flow condition. They were classified at amortised acquisition costs or, respectively, as financial instruments at fair value with no impact on profit or loss.

Estimates and assumptions by Management

The preparation of the consolidated financial statements requires Management to make estimates and assumptions on the basis of available information, which affect the recognition and valuation of reported assets, debt, income and expenses as well as contingent liabilities in the following areas.

In particular, the expected future business development, the circumstances prevailing at the time of preparation of the consolidated financial statements, and the development of the global and industry-related environment deemed probable were taken as a basis.

• Leases

In the case of leases, an extension option was only recognised in the accounting if there was a very high probability that the option would be exercised.

• Taxes

Uncertainties existed concerning the interpretation of complex tax-related regulations, amendments to taxation law as well as the extent and time of origin of earnings taxable at a future date. In addition, significant estimates were required for the eligibility for capitalisation of deferred tax assets on tax loss carryforwards, see Note (11).

• Impairment of inventories

Impairments were made for inventories in accordance with inventory levels in order to recognise expected losses. The impairments were based on the type of material and the respective inventory levels.

• Impairment of trade receivables

Impairments were made for trade receivables in accordance with IFRS 9 in order to recognise expected losses. The impairments were based on default rates using the general approach based on past defaults and future macroeconomic factors as well as individual impairments based on individual risks.

• Impairment of non-financial assets

If the carrying amount exceeds the value in use, the value in use is compared with the fair value as a further impairment test. The calculation of fair value less cost of sale is based on data from binding sales transactions between independent business partners concerning similar assets or observable market prices less directly attributable costs of selling the asset in question. The discounted cash flow method is used to calculate the value in use. The cash flows are derived from the finance plan for the next five years, but without expansion investments. The value in use is also dependent on the discount rate as well as on the growth rate.

• Fair value of financial instruments

If the fair value of financial assets and financial liabilities recognised in the Statement of financial situation cannot be measured by means of data sourced on an active market, it will be determined using valuation methods, including the discounted cash flow method. The parameters included in the model are based on observable market data as far as possible.

• Pension benefits

The expense arising from defined benefit plans on termination of employment and the present value of pension obligations are determined by actuarial calculations. Among others, these parameters include future discount rates, the mortality rate, the expected age of retirement, and future pension increases. Due to the complexity of the valuation and its long-term nature, a defined-benefit obligation reacts sensitively to deviations from these assumptions.

In determining the discount rate, Management relied for guidance on the interest rates of corporate bonds in the respective currency with at least an AA rating; these interest rates were adjusted to the expected term of the defined-benefit obligation by extrapolation.

The mortality rate is based on publicly accessible mortality tables for the country in question. Future increases in wages and salaries as well as pensions are based on expected future inflation rates for each country. The age of retirement is determined on the basis of the experience specific to the company as well as future expectations.

• Provisions

Provisions for warranties are set up if the occurrence of a liability is probable. The assessment of the degree of probability and the extent is based on empirical values, external experts, and current information available. In case of warranty provisions these parameters are based on empirical values for complaints and claims and the latest information available. Furthermore, uncertainties arise with regard to pending court cases regarding compensatory damages in terms of compensation payments and the duration of the proceedings.

At the time of preparing the consolidated financial statements the assumptions and estimates did not include any significant risks that would have required significant adjustments of the assets and liabilities recognised in the consolidated statement of financial position in the following financial year.

• Climate risks and climate-related estimation uncertainties

Any impacts of climate risks are generally taken into account in the recognition and measurement of assets and liabilities. Due to comprehensive risk management and the low probability of occurrence of physical climate risks, no specific climate risks were included in the recognition and measurement of assets and liabilities in the 2025 financial year.

Group segment reporting as at 31 December 2025

Information on geographic segments by sales markets	Western Europe		Northern/Eastern Europe	
	2025	2024	2025	2024
in EUR K				
External revenues	1,223,049	1,243,392	165,351	159,885
Inter-segment revenues	49,037	51,686	2,231	2,783
Segment turnover	1,272,086	1,295,078	167,582	162,668
Cost of materials	586,193	604,596	88,338	84,677
Personnel expenses	347,672	351,009	34,765	34,036
EBITDA	107,553	97,149	19,227	15,086
Depreciation/amortisation	50,750	51,891	8,228	8,135
EBIT	56,803	45,258	10,999	6,951
Interest income	10,817	13,796	937	1,331
Interest expenses	10,725	12,927	1,212	1,156
EBT	56,895	46,127	10,724	7,126
Segment assets	863,536	853,662	105,561	105,482
Investments	35,011	21,415	2,194	2,996
Employees as at the reference date	4,281	4,325	568	581

Segment reporting is explained in Note (32).

	America/Asia/Pacific		Reconciliation/consolidation booking entries		Group	
	2025	2024	2025	2024	2025	2024
	202,712	209,034	0	0	1,591,112	1,612,311
	169	7	-51,437	-54,476	0	0
	202,881	209,041	-51,437	-54,476	1,591,112	1,612,311
	99,001	100,819	-51,172	-54,113	722,360	735,979
	47,897	50,191	0	0	430,334	435,236
	10,426	14,540	166	198	137,372	126,973
	13,971	8,136	0	0	72,949	68,162
	-3,545	6,404	166	198	64,423	58,811
	2,736	2,575	-5,823	-7,863	8,667	9,839
	1,722	1,649	-5,823	-7,863	7,836	7,869
	-2,531	7,330	247	290	65,335	60,873
	148,884	163,045	45,383	36,128	1,163,364	1,158,317
	6,400	11,786	0	0	43,605	36,197
	633	693	0	0	5,482	5,599

Notes on the consolidated statement of profit or loss

(1) Revenue

For the purposes of segment reporting, revenues are broken down by geographic sales markets. The Group's sales revenues by product group are as follows:

in EUR K	2025	2024
Facade systems	739,780	750,248
Facade coatings	378,149	387,481
Interior	240,138	241,449
Miscellaneous product groups	233,045	233,133
Total revenues	1,591,112	1,612,311

(2) Other internally generated assets capitalised

Other capitalised, internally generated assets mainly result from internally generated assets for software, technical equipment and machinery and buildings.

(3) Other operating income

in EUR K	2025	2024
Income from the reversal of provisions and accrued liabilities	9,989	7,215
Income from changes in exchange rates	4,800	2,983
Proceeds from derecognised receivables	297	426
Income from the disposal of assets	616	992
Income from commissions and recharges to third parties	615	805
Funding from the public sector	2,653	293
Miscellaneous operating income	6,735	9,103
Total other operating income	25,705	21,817

Income from changes in exchange rates primarily comprise exchange rate profits arising between the date of the transaction and date of payment as well as currency translation profits using closing rates.

The funding from the public sector primarily consists of a grant awarded to Sto Corp. in connection with the coronavirus pandemic. The conditions for the grant have been fulfilled and repayment is not expected. In the previous year, this item mainly included grants for research activities and for the creation and maintenance of new jobs.

(4) Cost of material

in EUR K	2025	2024
Raw materials, processing aids, and operating materials	339,803	348,402
Goods purchased	370,848	379,421
Total expenses for raw materials, processing aids, operating materials, and goods purchased	710,651	727,823
Temporary staff	3,187	2,412
Commission production	8,522	5,744
Total expenses for services purchased	11,709	8,156
Total expenses for materials	722,360	735,979

(5) Personnel expenses

in EUR K	2025	2024
Wages and salaries	348,876	356,029
Social security contributions	51,791	49,517
Expenses for retirement benefits, and other employee benefit costs	29,667	29,690
Total personnel expenses	430,334	435,236

Expenses for retirement benefits and support primarily comprise contributions to the statutory pension funds and additions to pension provisions, as stated in Note (24).

Annual average headcount

Number	2025	2024
Employees	5,317	5,510
Trainees	228	234
Total no. of employees	5,545	5,744

(6) Other operating expenses

in EUR K	2025	2024
Selling and marketing costs	158,302	167,346
Administration costs	69,069	69,436
Rental and lease payments including overheads	24,999	24,308
Operating costs	41,264	39,961
Losses from the derecognition of financial assets	1,266	2,506
Other staff costs	7,205	7,935
Expenses due to changes in exchange rates	5,393	4,456
Losses from the disposal of fixed assets	174	125
Miscellaneous expenses	13,696	13,976
Other operating expenses in total	321,368	330,049

The selling and marketing costs item mainly includes outbound freight, warranty services, and advertising expenses.

Expenses due to changes in exchange rates primarily comprise exchange rate losses arising between the date of the transaction and date of payment as well as currency translation losses using closing rates.

Miscellaneous expenses include a monetary loss of EUR 681 K (previous year: EUR 728 K) from hyperinflation accounting in Türkiye.

(7) Impairment (net) of financial assets

in EUR K	2025	2024
Expenses for impairments of financial assets	-7,324	-7,755
Income from the reversal of impairments on financial assets	2,058	4,630
Total impairment (net) of financial assets	-5,266	-3,125

Please refer to Note (33) for more information on risks relating to financial assets.

(8) Depreciation/amortisation

This item includes depreciation and amortisation as well as impairments on non-financial assets. Accordingly, EBITDA is calculated before net interest income, depreciation/amortisation, and impairment on non-financial assets.

The depreciation/amortisation and impairment of Intangible assets, Property, plant, and equipment, and Rights of use are analysed in the respective parts of these Notes.

In the year under review, an impairment test was carried out due to the economic development of Sto Australia Pty Ltd with negative deviations from the planned turnover and earnings targets and an impairment of goodwill in the amount of EUR 1,940 K was recognised.

An impairment test was carried out in the previous year due to the economic development of the CGU Ströher with negative deviations from the turnover and margin targets, and impairment losses were recognised on intangible assets in the amount of EUR 689 K. EUR 627 K of this was attributable to the brand and EUR 62 K to expertise.

In addition, the goodwill of Sto Ltd. was subjected to an impairment test in the previous year due to the company filing for insolvency in December and was impaired by EUR 865 K.

Please refer to Section 6. 'Presentation of the major accounting and valuation policies' within the chapter 'General information' for material assumptions in the context of the impairment test'.

(9) Earnings from financial assets accounted for using the equity method

In the year under review, earnings from financial assets accounted for using the equity method amounted to EUR 81 K (previous year: EUR 92 K).

(10) Net interest income

in EUR K	2025	2024
Other interest and similar income	8,667	9,839
Interest and similar expenses	-766	-703
Interest expense on pension obligations	-2,960	-2,912
Compounding interest of non-current other provisions and liabilities	-377	-514
Interest expense for leases	-3,733	-3,740
Total net interest income	831	1,970

Net interest income decreased in comparison to the previous year as a result of the lower market interest rates from mid-2024.

(11) Taxes on income and earnings

Composition of tax expense		
in EUR K	2025	2024
Actual tax expense in Germany	10,553	10,890
Actual tax expense outside of Germany	15,465	15,696
Actual taxes on income and earnings	26,018	26,586
Deferred tax income/expense in Germany	-841	-1,197
Deferred tax income/expense outside of Germany	975	-2,138
Deferred tax income/expense	134	-3,335
Income tax expense reported	26,152	23,251

In the 2025 assessment period, the statutory corporate tax in Germany was levied at a rate of 15.0%, which is the same as in the previous year. Including trade tax and the solidarity surcharge, this resulted in an aggregate tax rate of 29.1% (previous year: 29.1%).

The local income tax rates for companies outside of Germany ranged between 5.0% and 35.0% (previous year: 5.0% to 35.0%). Deferred taxes were measured using the tax rates valid or enacted as of the balance sheet date.

Actual taxes on income and earnings include tax income from other periods in the amount of EUR 494 K (previous year: EUR 505 K), of which EUR 239 K (previous year: EUR 551 K) resulted from the reversal of tax provisions.

Tax loss carryforwards were valued at EUR 88,889 K (previous year: EUR 69,233 K). Tax loss carryforwards of EUR 47,046 K (previous year: EUR 34,005 K) are available for an indefinite period, while EUR 20,934 K (previous year: EUR 15,628 K) may only be utilised within five years, as well as EUR 6,951 K (previous year: EUR 1,057 K) only within ten years, and EUR 13,958 K (previous year: EUR 18,543 K) only within 20 years.

Of the tax loss carryforwards, a sum of EUR 82,739 K (previous year: EUR 61,217 K) is assumed to not be available for the time being. Of these, EUR 42,299 K (previous year: EUR 28,342 K) are available for an indefinite period, while EUR 19,717 K (previous year: EUR 15,320 K) may only be utilised within five years, as well as EUR 6,951 K (previous year: EUR 551 K) only within

ten years, and EUR 13,772 K (previous year: EUR 17,004 K) only within 20 years.

No deferred taxes were recognised for deductible temporary differences in the amount of EUR 14,732 K (previous year: EUR 5,382 K).

Of the tax loss carryforwards rated available and temporary differences, EUR 113 K (previous year: EUR 1,600 K) were attributable to companies whose result for the year of 2025 was negative. It is probable that they can be utilised by offsetting them against future taxable earnings.

Of deferred tax income, EUR 313 K (previous year: EUR 2,779 K) were attributable to temporary differences.

No deferred taxes were recognised for temporary differences of EUR 9,030 K on the profits retained by subsidiaries (previous year: EUR 8,578 K) as, historically, these profits have always been used to extend business activities at the individual locations and will continue to be used for this purpose in the future.

The following deferred tax assets and liabilities are recognised to allow for recognition and valuation differences in the individual items of the balance sheet and the tax loss carryforwards:

Balance sheet item

in EUR K	Deferred tax assets		Deferred tax liabilities	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Intangible assets	1,483	1,787	615	1,020
Property, plant, and equipment	1,869	1,821	3,369	4,198
Rights of use	627	620	23,264	22,530
Other financial assets	2,224	0	0	0
Non-current other financial assets	133	2,266	0	11
Non-current other assets	0	0	0	188
Inventories	1,503	1,641	303	311
Current trade receivables	1,787	1,930	399	375
Current other financial assets	61	7	771	562
Current other assets	48	212	374	461
Cash and cash equivalents	38	40	34	102
Special tax items	0	83	10	10
Provisions for pensions and similar liabilities	7,814	9,198	798	0
Non-current other provisions	113	184	69	69
Non-current borrowings	89	53	0	0
Non-current lease liabilities	17,671	16,934	0	0
Current other provisions	1,411	2,293	505	478
Current lease liabilities	5,621	5,613	0	0
Current trade payables	8	38	62	50
Current other liabilities	1,992	2,967	3	37
Loss carryforwards	1,588	2,068	0	0
Gross amount	46,080	49,755	30,576	30,402
Balancing	28,839	28,935	28,839	28,935
Balance sheet recognition	17,241	20,820	1,737	1,467

Deferred tax assets and deferred tax liabilities are netted if the Group has a legally enforceable right to set off the actual tax reimbursement claims against the actual tax liabilities, and the deferred tax assets and the deferred tax liabilities related to

income taxes levied by one and the same taxation authority from the same taxpayer.

Change in deferred taxes

in EUR K	Consideration in		Total
	Statement of profit or loss	Equity	
Deferred taxes as at 1 January 2024	14,256	2,961	17,217
Intangible assets	398	0	398
Property, plant, and equipment	778	0	778
Rights of use	-1,822	0	-1,822
Other financial assets	0	0	0
Non-current trade receivables	2	0	2
Non-current other financial assets	2,204	0	2,204
Non-current other assets	142	0	142
Inventories	122	0	122
Current trade receivables	176	0	176
Current other financial assets	563	26	589
Current other assets	-304	0	-304
Cash and cash equivalents	-115	0	-115
Special tax items	83	0	83
Provisions for pensions and similar liabilities	-2,282	-772	-3,054
Non-current other provisions	-84	0	-84
Non-current borrowings	149	0	149
Non-current lease liabilities	886	0	886
Current other provisions	710	0	710
Current borrowings	-243	0	-243
Current lease liabilities	1,110	0	1,110
Current trade payables	21	0	21
Current other liabilities	284	0	284
Loss carryforwards	557	0	557
First-time consolidation / deconsolidation effects	0	-325	-325
Currency translation effects	-145	17	-128
Deferred taxes as at 31 December 2024	17,446	1,907	19,353

Change in deferred taxes

in EUR K	Consideration in		Total
	Statement of profit or loss	Equity	
Deferred taxes as at 1 January 2025	17,446	1,907	19,353
Intangible assets	74	0	74
Property, plant, and equipment	691	0	691
Rights of use	-872	0	-872
Other financial assets	2,312	0	2,312
Non-current trade receivables	0	0	0
Non-current other financial assets	-2,125	0	-2,125
Non-current other assets	188	0	188
Inventories	-94	0	-94
Current trade receivables	-120	0	-120
Current other financial assets	-313	158	-155
Current other assets	-152	0	-152
Cash and cash equivalents	56	0	56
Special tax items	-82	0	-82
Provisions for pensions and similar liabilities	1,598	-3,774	-2,176
Non-current other provisions	-71	0	-71
Non-current borrowings	36	0	36
Non-current lease liabilities	889	0	889
Current other provisions	-898	0	-898
Current borrowings	0	0	0
Current lease liabilities	54	0	54
Current trade payables	-51	0	-51
Current other liabilities	-807	0	-807
Loss carryforwards	-448	0	-448
First-time consolidation / deconsolidation effects	0	0	0
Currency translation effects	-100	2	-98
Deferred taxes as at 31 December 2025	17,211	-1,707	15,504

Reconciliation of expected and reported income tax expense

in EUR K	2025	2024
Earnings before income taxes	65,335	60,873
Expected income tax expenses (tax rate: 29.1%; previous year: 29.1%)	19,026	17,726
Reconciliation: Tax-free income and permanent differences	997	3,107
Changes in tax rate	959	-112
Deviations of local tax rates from Group tax rate	-2,670	-2,107
Deferred tax income on tax loss carryforwards capitalised for the first time	-475	-279
Tax reduction for tax loss carryforwards not yet capitalised	-138	-196
Change in impairments of deferred tax assets on temporary differences and tax loss carryforwards	2,920	304
Effects of non-recognition of tax loss carryforwards	5,831	5,413
Off-period taxes	-494	-505
Other effects	196	-100
Income tax expense reported	26,152	23,251
Effective tax rate (%)	40.0	38.2

The Sto Group makes use of the exemption from recognising deferred taxes in connection with Pillar 2 income taxes. The "Changes in tax rate" mainly relate to the gradual reduction in the statutory corporate tax rate in Germany from 15% to 10% for the assessment periods 2028 to 2032. The tax rates that are

likely to apply at the time of realisation or fulfilment of the underlying assets or liabilities were used for the determination.

(12) Earnings per share

Basic earnings per share are calculated by dividing the proportion of earnings attributable to Sto SE & Co. KGaA's shareholders by the weighted average number of limited ordinary and limited preference shares in circulation during the financial year.

In addition to shares outstanding, diluted earnings per share also include potential shares (e.g. from options). Both at 31 December 2025 and 31 December 2024, there were no potential shares. Hence, undiluted earnings per share correspond to diluted earnings per share.

Limited ordinary shares		
Number	2025	2024
Weighted average number of shares outstanding – basic/diluted	3,888,000	3,888,000

Limited preference shares		
Number	2025	2024
Weighted average number of shares outstanding – basic/diluted	2,538,000	2,538,000

in EUR K	2025	2024
Share of earnings attributable to the shareholders of Sto SE & Co. KGaA	39,180	37,617
Basic/diluted earnings – of which		
Limited ordinary shares	23,614	22,668
Limited preference shares	15,566	14,949

in EUR	2025	2024
Earnings per share – basic/diluted		
Limited ordinary share	6.07	5.83
Limited preference share	6.13	5.89

In the financial year of 2025, the following dividend was paid out from the earnings of 2024: EUR 3.25 (previous year: EUR 4.94) per ordinary share, consisting of an ordinary dividend of EUR 0.25 (previous year: EUR 0.25) and a bonus of EUR 3.00 (previous year: EUR 4.69), as well as EUR 3.31 (previous year: EUR 5.00) per preference share, consisting of an ordinary dividend of EUR 0.31 (previous year: EUR 0.31) and a bonus of EUR 3.00 (previous year: EUR 4.69).

In the 2025 financial year, a total of EUR 12,636 K was paid out to ordinary shareholders (previous year: EUR 19,207 K) and an amount of EUR 8,401 K was paid out to preference shareholders (previous year: EUR 12,690 K). The total payout amount was EUR 21,037 K (previous year: EUR 31,897 K).

Notes to the Group balance sheet

(13) Intangible assets

Changes in Intangible assets from 1 January until 31 December 2024

in EUR K	Industrial property rights and licences including software	Goodwill	Payments made on account	Total
Costs of acquisition/production				
1 January 2024	55,295	53,181	3,151	111,627
Additions	791	0	1,192	1,983
Changes to the companies consolidated	1,066	1,509	0	2,575
Disposals	173	7,027	0	7,200
Transfers	941	0	-916	25
Exchange rate differences	-244	-170	0	-414
31 Dec 2024	57,676	47,493	3,427	108,596
Cumulative depreciation/amortisation and impairment losses				
1 January 2024	40,608	17,035	0	57,643
Depreciation/amortisation for the year	2,999	0	0	2,999
Impairment losses	689	865	0	1,554
Changes to the companies consolidated	-4	-865	0	-869
Disposals	172	7,027	0	7,199
Transfers	1	0	0	1
Appreciations	0	0	0	0
Exchange rate differences	-82	0	0	-82
31 Dec 2024	44,039	10,008	0	54,047
Net carrying amount as at 31 December 2023	14,687	36,146	3,151	53,984
Net carrying amount as at 31 December 2024	13,637	37,485	3,427	54,549

Changes in Intangible assets from 1 January until 31 December 2025

in EUR K	Industrial property rights and licences including software	Goodwill	Payments made on account	Total
Costs of acquisition/production				
1 January 2025	57,676	47,493	3,427	108,596
Additions	1,479	0	5,200	6,679
Changes to the companies consolidated	0	0	0	0
Disposals	1,432	0	0	1,432
Transfers	1,566	0	-1,549	17
Exchange rate differences	-471	-356	0	-827
31 Dec 2025	58,818	47,137	7,078	113,033
Cumulative depreciation/amortisation and impairment losses				
1 January 2025	44,039	10,008	0	54,047
Depreciation/amortisation for the year	3,339	0	0	3,339
Impairment losses	0	1,940	0	1,940
Changes to the companies consolidated	0	0	0	0
Disposals	1,432	0	0	1,432
Transfers	0	0	0	0
Appreciations	0	0	0	0
Exchange rate differences	-220	-7	0	-227
31 Dec 2025	45,726	11,941	0	57,667
Net carrying amount as at 31 December 2024	13,637	37,485	3,427	54,549
Net carrying amount as at 31 December 2025	13,092	35,196	7,078	55,366

Goodwill

Goodwill reported, amounting to EUR 35,196 K (previous year: EUR 37,485 K), breaks down as follows:

Cash Generating Units		
in EUR K	31 Dec 2025	31 Dec 2024
Sto SE & Co. KGaA	15,760	15,760
Beissier S.A.S., La Chapelle la Reine/France	3,635	3,635
Beissier S.A.U., Errenteria/Spain	2,679	2,679
Sto Sp. z o.o., Warsaw/Poland	2,402	2,402
Stoanz Ltd, Wellington/New Zealand	2,115	2,325
Sto Építőanyag Kft., Dunaharaszti/Hungary	1,764	1,764
JONAS Farben GmbH, Wülfrath/Germany	1,697	1,697
Sto Isoned B.V., Tiel/Netherlands	1,189	1,189
Sto Australia Pty Ltd, Dandenong South/Australia	1,041	3,118
Sto Norge AS, Langhus/Norway	911	914
Miscellaneous under EUR 900 K	2,003	2,002
Total goodwill	35,196	37,485

(14) Property, plant, and equipment

Changes in Property, plant, and equipment from 1 January to 31 December 2024

in EUR K	Land, land rights and buildings including plant buildings on land owned by others	Technical equipment and machinery	Other plant, operating and business equipment	Equipment under construction	Total
Costs of acquisition/production					
1 January 2024	402,351	284,907	234,028	17,450	938,736
Additions	1,299	7,457	9,859	15,599	34,214
Changes to the companies consolidated	-277	21	-505	0	-761
Disposals	1,755	1,238	10,234	39	13,266
Transfers	1,809	10,917	1,837	-14,588	-25
Exchange rate differences	62	1,827	24	-428	1,485
31 Dec 2024	403,489	303,891	235,009	17,994	960,383
Cumulative depreciation/amortisation and impairment losses					
1 January 2024	241,575	209,004	186,101	313	636,993
Depreciation/amortisation for the year	9,531	13,724	12,953	0	36,208
Impairment losses	0	0	0	0	0
Changes to the companies consolidated	-215	0	-451	0	-666
Disposals	1,577	1,180	9,415	0	12,172
Transfers	-44	113	-29	0	40
Appreciations	0	0	0	0	0
Exchange rate differences	304	1,500	-45	-5	1,754
31 Dec 2024	249,574	223,161	189,114	308	662,157
Net carrying amount as at 31 December 2023	160,776	75,903	47,927	17,137	301,743
Net carrying amount as at 31 December 2024	153,915	80,730	45,895	17,686	298,226

Changes in Property, plant and, equipment from 1 January to 31 December 2025

in EUR K	Land, land rights and buildings including plant buildings on land owned by others	Technical equipment and machinery	Other plant, operating and business equipment	Equipment under construction	Total
Costs of acquisition/production					
1 January 2025	403,489	303,891	235,009	17,994	960,383
Additions	9,764	5,228	12,171	9,763	36,926
Changes to the companies consolidated	0	0	0	0	0
Disposals	561	2,509	6,051	71	9,192
Transfers	5,255	10,693	-143	-15,822	-17
Exchange rate differences	-1,515	-4,273	-910	-172	-6,870
31 Dec 2025	416,432	313,030	240,076	11,692	981,230
Cumulative depreciation/amortisation and impairment losses					
1 January 2025	249,574	223,161	189,114	308	662,157
Depreciation/amortisation for the year	9,565	13,976	12,446	0	35,987
Impairment losses	115	126	83	28	352
Changes to the companies consolidated	0	0	0	0	0
Disposals	413	2,385	5,805	0	8,603
Transfers	0	0	0	0	0
Appreciations	0	0	0	0	0
Exchange rate differences	-1,146	-3,374	-584	9	-5,095
31 Dec 2025	257,695	231,504	195,254	345	684,798
Net carrying amount as at 31 December 2024	153,915	80,730	45,895	17,686	298,226
Net carrying amount as at 31 December 2025	158,737	81,526	44,822	11,347	296,432

Property, plant, and equipment in the amount of EUR 29,741 K (previous year: EUR 29,640 K) are encumbered with land charges which serve to secure liabilities to banks. The value amounted to EUR 0 K (previous year: EUR 21 K).

(15) Rights of use

Development of Rights of use from 1 January to 31 December 2024

in EUR K	Industrial prop- erty rights and licences includ- ing software	Land, land rights and buildings including plant buildings on land owned by others	Technical equipment and machinery	Other plant, operating and business equipment	Total
Costs of acquisition/production					
1 January 2024	427	145,611	745	34,822	181,605
Additions	0	21,751	119	11,410	33,280
Changes to the companies consolidated	0	-871	0	-1,032	-1,903
Disposals	427	6,772	44	6,867	14,110
Transfers	0	0	2	-2	0
Exchange rate differences	0	-917	-2	-211	-1,130
31 Dec 2024	0	158,802	820	38,120	197,742
Cumulative depreciation/amortisation and impairment losses					
1 January 2024	427	63,688	634	17,807	82,556
Depreciation/amortisation for the year	0	18,732	130	8,539	27,401
Impairment losses	0	0	0	0	0
Changes to the companies consolidated	0	-1,083	0	-554	-1,637
Disposals	427	3,548	44	6,380	10,399
Transfers	0	-41	2	-2	-41
Appreciations	0	1	0	0	1
Exchange rate differences	0	-176	-2	-90	-268
31 Dec 2024	0	77,573	720	19,320	97,613
Net carrying amount as at 31 December 2023	0	81,923	111	17,015	99,049
Net carrying amount as at 31 December 2024	0	81,229	100	18,800	100,129

Development of Rights of use from 1 January to 31 December 2025

in EUR K	Industrial prop- erty rights and licences including software	Land, land rights and buildings including plant buildings on land owned by others	Technical equipment and machinery	Other plant, operating and business equipment	Total
Costs of acquisition/production					
1 January 2025	0	158,802	820	38,120	197,742
Additions	0	31,127	0	7,676	38,803
Changes to the companies consolidated	0	0	0	0	0
Disposals	0	5,925	755	8,121	14,801
Transfers	0	0	0	0	0
Exchange rate differences	0	-1,645	-4	-219	-1,868
31 Dec 2025	0	182,359	61	37,456	219,876
Cumulative depreciation/amortisation and impairment losses					
1 January 2025	0	77,573	720	19,320	97,613
Depreciation/amortisation for the year	0	19,531	69	8,821	28,421
Impairment losses	0	2,910	0	0	2,910
Changes to the companies consolidated	0	0	0	0	0
Disposals	0	3,893	727	7,608	12,228
Transfers	0	0	0	0	0
Appreciations	0	0	0	0	0
Exchange rate differences	0	-808	-4	-121	-933
31 Dec 2025	0	95,313	58	20,412	115,783
Net carrying amount as at 31 December 2024	0	81,229	100	18,800	100,129
Net carrying amount as at 31 December 2025	0	87,046	3	17,044	104,093

The Group primarily leases properties and vehicles. In terms of properties, the Group mainly rents SalesCentres, office and production buildings and distribution centres.

There were significant additions in the year under review, primarily due to new rental agreements for office and production buildings and distribution centres.

Due to the limited use of office and production buildings, the underlying rights of use in the amount of EUR K 2,910 (previous year: EUR K 0) were impaired on a non-scheduled basis.

Information on the corresponding lease liabilities and further explanations can be found in Note (10) and Note (27).

(16) Financial assets accounted for using the equity method

As at 31 December 2025, the carrying amount of the shares accounted for using the equity method was EUR 2,589 K (previous year: EUR 2,508 K).

Investment using the equity method resulted in a positive result of EUR 81 K and thus the aforementioned increase in the carrying amount of the shares valued using the equity method. In the previous year, the investment accounted for using the equity method generated a positive result of EUR 92 K.

The approval of all shareholders is required for the payout of dividends or the repayment of loans.

The Group had no contingent liabilities or contingent receivables as at the balance sheet date.

(17) Inventories

Inventories are measured at the lower of acquisition/production cost and the net realisable amount. The impairment included therein amounted to EUR 12,000 K (previous year: EUR 12,652 K). The impairments are mainly based on overstocking.

in EUR K	31 Dec 2025	31 Dec 2024
Raw materials, processing aids, and operating materials	40,081	40,987
Work in progress	7,721	7,756
Finished products and goods	97,510	101,934
Payments made on account	490	399
Total inventories	145,802	151,076

In the reporting period and in the previous year, no inventories served as collateral for liabilities to banks.

(18) Non-current and current trade receivables

The fair values of trade receivables equal their carrying amounts. Impairments of EUR 23,983 K (previous year: EUR 24,189 K) were taken into account. In the reporting period

and in the previous year, no trade receivables served as collateral for liabilities to banks.

in EUR K	current	non-current	Carrying amount as at 31 Dec 2025	current	non-current	Carrying amount as at 31 Dec 2024
from						
Third parties	156,988	804	157,792	164,137	958	165,095
Companies accounted for using the equity method	1	0	1	1	0	1
Total trade receivables	156,989	804	157,793	164,138	958	165,096

Please refer to Note (33) for more information on risks relating to financial assets.

(19) Non-current and current other financial assets

Other financial assets due from third parties included financial investments due for settlement in more than three months as well as impairments of EUR 102 K (previous year: EUR 106 K). Receivables from suppliers also included in the financial assets

amounted to EUR 4,324 K (previous year: EUR 6,181 K). As in the previous year, the positive fair value of derivative financial instruments resulted from currency hedging transactions that are explained in more detail under Note (33).

in EUR K	current	non-current	Carrying amount as at 31 Dec 2025	current	non-current	Carrying amount as at 31 Dec 2024
Other financial assets from third parties	162,305	54,851	217,156	140,737	74,558	215,295
Other receivables and other financial assets from companies accounted for using the equity method	153	0	153	252	0	252
Positive fair value of derivative financial instruments	307	0	307	407	0	407
Total other financial assets	162,765	54,851	217,616	141,396	74,558	215,954

Please refer to Note (33) for more information on risks relating to financial assets.

(20) Non-current and current other assets

Other receivables due from third parties include current insurance refund claims from sales risks of EUR 1,290 K (previous year: EUR 1,634 K).

An impairment on other assets in the amount of EUR 18 K (previous year: EUR 9 K) was recognised in the reporting period.

Other tax reimbursement claims include VAT reimbursement claims of EUR 4,446 K (previous year: EUR 5,289 K).

in EUR K	current	non-current	Carrying amount as at 31 Dec 2025	current	non-current	Carrying amount as at 31 Dec 2024
Other receivables from third parties	3,248	0	3,248	4,332	0	4,332
Other tax reimbursement claims	4,544	0	4,544	5,419	0	5,419
Prepaid expenses	12,406	2,084	14,490	12,233	800	13,033
Other payments made on account	1,328	0	1,328	935	0	935
Total other assets	21,526	2,084	23,610	22,919	800	23,719

(21) Cash and cash equivalents

in EUR K	31 Dec 2025	31 Dec 2024
Credit balances with banks	114,454	110,208
Cheques, cash in hand	226	724
Total cash and cash equivalents	114,680	110,932

Cash and cash equivalents include impairments due to IFRS 9 of EUR 172 K (previous year: EUR 167 K).

Please refer to Note (33) for more information on risks relating to cash and cash equivalents.

(22) Equity

Changes in equity and minority interests are analysed in the statement of changes in equity.

Subscribed capital

As at 31 December 2025, the share capital of Sto SE & Co. KGaA amounted to EUR 17,556 K. It was divided into 4,320,000 registered limited ordinary shares and 2,538,000 limited preference shares with no voting rights with a notional nominal value of EUR 2.56 per share. The figures for the 2025 financial year correspond to the previous year.

The limited preference shares include a guaranteed minimum dividend of EUR 0.13 and bore a dividend that was EUR 0.06 higher than that of the limited ordinary shares. If the net income of one or more financial years is not sufficient for an advance dividend payout of at least EUR 0.13, the missing amounts will be paid in arrears without interest from the net income of the following financial years before payout of a dividend.

The limited preference shares of Sto SE & Co. KGaA are listed on the stock exchanges in Frankfurt on the Main/Germany and Stuttgart/Germany in the 'Regulated market' segment. The limited ordinary shares are not listed on the stock market.

At the 2025 year end, Stotmeister Beteiligungs GmbH, Stühlingen/Germany, held all of the limited ordinary shares of Sto SE & Co. KGaA not owned by Sto SE & Co. KGaA and 100% of the shares of STO Management SE, Stühlingen/Germany. The personally liable partner, STO Management SE, Stühlingen/Germany, does not have a share in the capital of Sto SE & Co. KGaA.

Capital reserves

Capital reserves essentially comprise additions from premiums.

Revenue reserves and other reserves

Revenue reserves and other reserves comprise the following items:

- Reserves for accrued profits:
Reserves for accrued profits include the profits earned by Sto SE & Co. KGaA and its subsidiaries that were not distributed.
- Currency translation reserve:
The currency translation reserve is used to record any differences arising from the translation of the financial statements of subsidiaries in a foreign currency.
- Reserve for pensions:
The reserve for pensions contains actuarial gains or actuarial losses from the pension provisions arising from differences between the actual development and the assumed trends as well as changes in the assumptions underlying calculations.
- Reserve for FVOCI valuation:
The reserve for the FVOCI valuation includes the changes in the valuation of financial instruments at fair value with no effect on profit or loss.
- Treasury stock:
As at 31 December 2025, Sto SE & Co. KGaA, Stühlingen/Germany, holds treasury stock in the form of 432,000 registered limited ordinary shares with a notional value of EUR 1,106 K. This is equivalent to 10% of all ordinary shares, or 6.3% of the share capital of Sto SE & Co. KGaA. Treasury stock is not entitled to dividends. The figures for the 2025 financial year correspond to the previous year.

Proposed dividend

In accordance with Sections 278, 58 (4) of the German Stock Corporation Act (Aktiengesetz, AktG), Sto SE & Co. KGaA's dividend payout is based on the unappropriated surplus recorded in the financial statements of Sto SE & Co. KGaA prepared in accordance with German commercial law. Net income totalled EUR 59,398 K (previous year: EUR 46,144 K).

The personally liable partner of Sto SE & Co. KGaA, STO Management SE, Stühlingen/Germany, through its Executive Board, proposes to the Annual General Meeting of Sto SE & Co. KGaA a dividend payout in the amount of EUR 0.25 (previous year: EUR 0.25) plus a bonus of EUR 3.00 (previous year: EUR 3.00), totalling EUR 3.25 (previous year: EUR 3.25), per limited ordinary share and EUR 0.31 (previous year: EUR 0.31) plus a bonus of EUR 3.00 (previous year: EUR 3.00), totalling EUR 3.31 (previous year: EUR 3.31), per limited preference share and thus a total dividend payout of EUR 21,037 K (previous year: EUR 21,037 K).

A proposal is also made to retain EUR 38,000 K (previous year: EUR 25,000 K) as revenue reserves and to carry the remaining amount of EUR 361 K (previous year: EUR 107 K) forward to a new account.

Notes on equity management

The purpose of capital management is to ensure that the Group effectively achieves its goals and pursues its strategies in the interests of the shareholders, employees, and other stakeholders and that it successfully implements the defined strategies. In particular, management focuses on achieving the minimum return on invested assets sought by the capital market as well as on maintaining a solid return on equity. In selecting financial instruments, the Group attaches importance to matching-maturities finance.

In the financial year of 2025, the equity attributable to the shareholders of Sto SE & Co. KGaA rose by 2.5% as compared to the previous year. This was essentially the result of the increase in revenue reserves and other reserves.

As in the previous year, no net debt has been incurred in the 2025 financial year.

Due to the credit line agreed with a banking consortium, the Group is subject to complying with a financial covenant. In case of non-compliance the lenders are entitled to terminate the loan for good cause. The syndicated loan agreement with a volume of EUR 100.0 million, which expired in summer 2022, was renewed in April 2022 for the same amount and with a term until April 2027, including two renewal options of one year each. In the meantime, the second extension option has been utilised, meaning that the term is currently agreed until April 2029. The financial covenant to be complied with is the net debt ratio, defined as the ratio of net debt to EBITDA. The net debt ratio may not exceed a value of 3.0. In the event of an acquisition and the corresponding written notification from Sto SE & Co. KGaA, the net debt ratio may not exceed a value of 3.5 once for a maximum period of four reference dates following the completion of the acquisition in question. The agreed financial covenant was fulfilled in the year under review and in the previous year.

(23) Share of minority interests

Shares of equity held by non-controlling associates existed in the year under review and in the previous year in UAB TECH-COAT, Klaipėda/Lithuania. Non-controlling interests are insignificant for the Group.

in EUR K	31 Decem-ber 2025	31 Decem-ber 2024	Change in %
Equity attributable to the shareholders of Sto SE & Co. KGaA	762,302	743,508	2.5%
Current borrowings	1,702	1,723	-1.2%
less cash and cash equivalents	114,680	110,932	3.4%
Net assets	112,978	109,209	3.5%
% of equity	14.8%	14.7%	
Equity ratio	65.5%	64.2%	
Return on Capital Employed (ROCE)*	8.7%	7.8%	

* ROCE = EBIT divided by average capital employed.

Capital employed = Intangible assets + Property, plant, and equipment + Rights of use + Inventories + Trade receivables ./. Trade payables

Balance sheet values are calculated on the basis of an arithmetic average value of the respective reporting date values at the end of the month for the respective period.

(24) Pensions and similar liabilities

Provisions for pension obligations are recognised in accordance with entitlement arising under the corporate pension scheme. The provided benefits vary according to the legal, tax and economic situation in the individual country and are based on the length of service and the salary of the entitled employees.

The corporate pension scheme primarily comprises defined benefit plans which reflect discounted future payments and for which the pension provisions are calculated using the projected unit credit method in accordance with IAS 19. For defined benefit obligation plans, future obligations are measured on the basis of the benefit entitlements acquired as at the balance sheet date. In making this assessment, assumed relevant trends are taken into account, and actuarial calculations are applied.

Actuarial gains or losses arise from deviations in the actual development (e.g. income and pension increases, changes in interest rates) from the assumptions, and from changes in the assumptions. All actuarial gains and losses are recognised in equity with no impact on profit or loss. Actuarial gains and losses reported within equity are presented in the table on pension provisions. The sensitivity analysis shows the impact of deviations in the assumptions.

Benefit obligations assumed by the German companies primarily existed for old-age, invalidity, widow's and orphan's pensions. A prerequisite for receiving benefits was that upon occurrence of the event the employee either had had a minimum period of service of 10 years after the age of 25, or had been in an employment relationship with Sto or had had a non-lapsable entitlement. Old-age pension is granted when the statutory pension is drawn. The monthly old-age or invalidity pension amounts to between EUR 5.11 and EUR 9.20 per year of service and depending on the employee's status. The widow's pension amounts to 60% of the old-age and invalidity pension.

The present value of the defined benefit obligations of EUR 121,459 K (previous year: EUR 132,879 K) were netted against the fair value of the plan asset of EUR 43,830 K (previous year: EUR 42,670 K). Pension provisions amounted to EUR 77,629 K (previous year: EUR 90,209 K).

In addition, the Group had defined contribution plans, whose current contribution payments (excluding contributions to the statutory pension funds) were reported as pension expenses. For these plans, the Company paid contributions into public or private pension funds in accordance with statutory or contractual obligations. Upon payment of the contributions, the Company had no further benefit obligations.

Expenses from defined contribution plans amounted to EUR 1,018 K (previous year: EUR 1,250 K). Contributions to statutory pension funds came to EUR 24,899 K (previous year: EUR 25,104 K).

In Switzerland, the current benefits agreements for employees are effected by plans which are regulated by the Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge (Federal Law on Occupational Old-age, Survivor's and Disability Insurance, BVG). Pension plans in Switzerland are administered by collective foundations which are financed by regular employee and employer contributions. The final pension benefits are contribution-based with specific minimum guarantees. Due to these minimum guarantees, pension plans in Switzerland are allocated as being defined benefit plans, although they possess many properties of defined contribution plans. The deficient cover can be remedied by various methods, such as increasing employee and employer contributions, lowering the interest rate for retirement assets, or reducing future benefit claims.

Summary of the pension provisions

in EUR K	2025	2024
Pension plan of the Euro companies	77,578	87,907
Pension plan of Sto AG, Switzerland	51	2,302
Total	77,629	90,209

Development of pension provisions

Pension plan of the Euro companies

in EUR K	Present value of the defined benefit obligation (I)	Fair value of the plan assets (II)	Liability from the defined benefit obligation (I) – (II)
As at 1 January 2024	97,643	9,075	88,568
Current service cost	2,666	0	2,666
Interest expense/income	3,103	284	2,819
Expenses for/income from pension obligations recognised through profit or loss	5,769	284	5,485
Pension benefits paid	-3,280	-397	-2,883
Actuarial gains and losses from changes in demographic assumptions	-105	0	-105
Actuarial gains and losses from changes in financial assumptions	-1,914	-190	-1,724
Experience-based adjustments	-1,219	0	-1,219
Profit/loss from reassessment recognised in other earnings	-3,238	-190	-3,048
Employer contributions	0	215	-215
As at 31 Dec 2024	96,894	8,987	87,907

Pension plan of the Euro companies

in EUR K	Present value of the defined benefit obligation (I)	Fair value of the plan assets (II)	Liability from the defined benefit obligation (I) – (II)
As at 1 January 2025	96,894	8,987	87,907
Current service cost	2,672	0	2,672
Interest expense/income	3,233	295	2,938
Expenses for/income from pension obligations recognised through profit or loss	5,905	295	5,610
Pension benefits paid	-4,556	-378	-4,178
Actuarial gains and losses from changes in demographic assumptions	-1,225	0	-1,225
Actuarial gains and losses from changes in financial assumptions	-10,321	-522	-9,799
Experience-based adjustments	-518	0	-518
Profit/loss from reassessment recognised in other earnings	-12,064	-522	-11,542
Employer contributions	0	219	-219
As at 31 Dec 2025	86,179	8,601	77,578

The change in the actuarial gains and losses from changes to financial assumptions in comparison to the previous year is primarily due to the increase in the discount rate from 3.41% to 4.17%.

Current service costs are included in personnel costs; interest expenses on the obligation is reported under interest expenses, Note (10).

The plan assets of the Euro companies are qualifying insurance contracts in the form of reinsurance policies. The contributions to the plan assets for the following financial year are expected to amount to EUR 196 K (previous year: EUR 172 K).

The calculation of pension provisions was based on the following assumptions:

Germany

	2025	2024
Discount rate as at 31 December in %	4.17	3.41
Future pension increases in %	2.10	2025: 4.90 from 2026: 2.10
Age of retirement in years	65	65

Outside of Germany

	2025	2024
Discount rate as at 31 December in %	4.17	3.41
Future pension increases in %	2.10	2.10
Age of retirement in years	62 - 65	62 - 65

Since 31 December 2018, the 'Richttafel 2018 G' (Reference Table 2018 G) by Prof Dr Klaus Heubeck has been used as the biometric basis for calculations for German companies.

The running period of the defined benefit obligation of the Euro companies averaged at 15.55 years (previous year: 16.73 years).

Pension plan of Sto AG, Switzerland

in EUR K	Present value of the defined benefit obligation (I)	Fair value of the plan assets (II)	Liability from the defined benefit obligation (I) - (II)
As at 1 January 2024	37,550	34,637	2,913
Currency differences	-618	-564	-54
Current service cost	957	0	957
Interest expense/income	540	447	93
Past service costs	-24	0	-24
Compensation for services	-608	0	-608
Expenses for/income from pension obligations recognised through profit or loss	865	447	418
Pension benefits paid	-5,939	-5,939	0
Actuarial gains and losses from changes in demographic assumptions	-6	0	-6
Actuarial gains and losses from changes in financial assumptions	1,291	1,019	272
Experience-based adjustments	259	0	259
Profit/loss from reassessment recognised in other earnings	1,544	1,019	525
Employer contributions	0	1,500	-1,500
Employee contributions	2,583	2,583	0
As at 31 Dec 2024	35,985	33,683	2,302

Pension plan of Sto AG, Switzerland

in EUR K	Present value of the defined benefit obligation (I)	Fair value of the plan assets (II)	Liability from the defined benefit obligation (I) – (II)
As at 1 January 2025	35,985	33,683	2,302
Currency differences	375	362	13
Current service cost	954	0	954
Interest expense/income	361	339	22
Past service costs	0	0	0
Compensation for services	0	0	0
Expenses for/income from pension obligations recognised through profit or loss	1,315	339	976
Pension benefits paid	-4,864	-4,864	0
Actuarial gains and losses from changes in demographic assumptions	0	0	0
Actuarial gains and losses from changes in financial assumptions	-816	2,220	-3,036
Experience-based adjustments	1,126	0	1,126
Profit/loss from reassessment recognised in other earnings	310	2,220	-1,910
Employer contributions	0	1,330	-1,330
Employee contributions	2,159	2,159	0
As at 31 Dec 2025	35,280	35,229	51

The change in the actuarial gains and losses from changes to financial assumptions in comparison to the previous year is primarily due to the increase in the discount rate from 1.00% to 1.30%.

The plan assets of Sto AG, Switzerland, take the form of qualifying insurance contracts. All regulatory benefits such as disability, death and longevity are integrally covered in the insurance contract.

The contributions to the plan assets for the following financial year are expected to amount to EUR 1,209 K (previous year: EUR 1,402 K).

The calculation of pension provisions of Sto AG, Switzerland, was based on the following assumptions:

Switzerland

	2025	2024
Discount rate as at 31 December in %	1.30	1.00
Future salary increases in %	1.00	1.00
Age of retirement in years	65	65

The BVG 2020 Generation Life Table was used as the biometric base for calculation.

The running period of the defined benefit obligation averages at 10.90 years at the end of the reporting period (previous year: 11.10 years).

The following shows a quantitative sensitivity analysis of the most important assumptions as at 31 December 2025:

Effects on the defined benefit obligation of the Euro countries

in EUR K	31 Dec 2025	31 Dec 2024
Discount rate		
Decline by 0.5%	6,564	7,898
Increase by 0.5%	-5,899	-7,072
Pensions		
Decline by 1.0%	-8,044	-9,324
Increase by 1.0%	8,792	10,271
Life expectancy		
Decrease by 1 year	-2,559	-3,037
Increase by 1 year	2,431	2,866
Retirement age		
Decrease by 1 year	2,048	2,318
Increase by 1 year	-2,193	-2,231

Effects on the defined benefit obligation of Sto AG, Switzerland

in EUR K	31 Dec 2025	31 Dec 2024
Discount rate		
Decline by 0.5%	2,011	2,143
Increase by 0.5%	-1,800	-1,914
Salary adjustments		
Decline by 0.5%	-96	-89
Increase by 0.5%	108	98
Life expectancy		
Decrease by 1 year	-402	-409
Increase by 1 year	385	393

To determine the above sensitivity analysis, the provisions were determined based on the internationally applicable projected unit credit method taking into consideration the changed parameters while keeping the other parameters steady. These provisions were then compared to the provision as at 31 December 2025.

The following amounts are expected to be paid over the next few years as part of the defined benefit obligation:

Expected disbursements

in EUR K	as at 31 Dec 2025	as at 31 Dec 2024
Within the next 12 months	5,797	6,157
Between 1 and 5 years	28,588	27,009
Between 5 and 10 years	43,488	45,845
Expected disbursements within the next 10 years	77,873	79,011

(25) Non-current and current other provisions

in EUR K	Human resources division	Production division	Sales division	Miscellaneous provisions	Total
As at 1 January 2024	7,033	2,334	33,985	3,288	46,640
Currency differences	7	0	-331	-15	-339
Consumption	-1,648	-1,040	-7,047	-1,133	-10,868
Additions/formation	1,427	415	19,820	1,473	23,135
Changes to the companies consolidated	0	0	4	0	4
Compounding of interest	111	13	265	0	389
Reversal	-503	-231	-4,318	-156	-5,208
As at 31 Dec 2024	6,427	1,491	42,378	3,457	53,753
of which current	3,019	566	28,662	2,975	35,222
of which non-current	3,408	925	13,716	482	18,531
As at 1 January 2025	6,427	1,491	42,378	3,457	53,753
Currency differences	-58	0	253	-7	188
Consumption	-1,677	-452	-11,317	-1,285	-14,731
Additions/formation	2,511	937	11,284	1,888	16,620
Changes to the companies consolidated	0	0	0	0	0
Compounding of interest	111	12	206	1	330
Reversal	-352	-50	-8,552	-250	-9,204
As at 31 Dec 2025	6,962	1,938	34,252	3,804	46,956
of which current	3,748	1,670	24,186	3,250	32,854
of which non-current	3,214	268	10,066	554	14,102

Provisions in the area of human resources were set aside for anniversary expenses, termination settlements and similar obligations, among other things. The cash outflows for non-current provisions in the personnel area are predominantly expected within a period up to 2036.

Provisions of the production division comprise, inter alia, asset retirement obligations and disposal costs.

Provisions in the sales area mainly include provisions for warranties. They also include compensation claims from commercial representatives and provisions for litigation risks. The cash outflows for non-current provisions in the sales area are mainly expected within a period up to 2028.

The sales area includes, among other things, three significant individual provisions for warranties in the amount of EUR 20,444 K (previous year: EUR 26,181 K). One of these individual provisions is offset by an insurance refund claim in the amount of EUR 1,290 K (previous year: EUR 1,634 K), which is reported under current other assets.

In addition to provisions for acceptance obligations and safe-keeping obligations, the miscellaneous other provisions comprise additional factual circumstances subordinate in nature in terms of their recognition.

(26) Non-current and current borrowings

in EUR K	current	non-current	Carrying amount as at 31 Dec 2024
Liabilities to banks	24	0	24
Other borrowings	1,699	0	1,699
Total borrowings	1,723	0	1,723

in EUR K	current	non-current	Carrying amount as at 31 Dec 2025
Liabilities to banks	2	0	2
Other borrowings	1,700	0	1,700
Total borrowings	1,702	0	1,702

(27) Non-current and current lease liabilities

in EUR K	current	non-current	Carrying amount as at 31 Dec 2024
Liabilities from leases	25,536	77,062	102,598

in EUR K	current	non-current	Carrying amount as at 31 Dec 2025
Liabilities from leases	26,214	83,968	110,182

The current and future payments from lease liabilities can be seen in the following tables:

in EUR K	2024	up to 1 year	1–5 years	> 5 years	31 Dec 2024
Lease payments	29,758	28,796	66,566	18,388	113,750
Interest portions	3,740	3,260	5,422	2,470	11,152
Carrying amount/present value of lease liabilities	26,018	25,536	61,144	15,918	102,598
Payments for current leases	12,701	698	0	0	698
Payments for small-ticket leases	1,086	156	124	0	280

in EUR K	2025	up to 1 year	1–5 years	> 5 years	31 Dec 2025
Lease payments	30,968	29,735	71,051	21,368	122,154
Interest portions	3,733	3,521	6,827	1,624	11,972
Carrying amount/present value of lease liabilities	27,235	26,214	64,224	19,744	110,182
Payments for current leases	13,826	366	0	0	366
Payments for small-ticket leases	891	156	124	0	280

Total lease payments in the current year amounted to EUR 45,685 K (previous year: EUR 43,545 K).

Potential future cash outflows from leases were not included in the lease liability as it was not sufficiently certain that the leasing contracts would be renewed.

Cash outflows from leases possible in the future are shown in the following table:

in EUR K	2025	2024
From extension and termination options	9,572	9,651
From contracts not yet active	3,576	4,890

Current earnings include the following additional expenses relating to leases:

in EUR K	2025	2024
Expenses for short-term leases	13,826	12,701
Expenses for small-ticket leases	891	1,086
Expenses from variable lease payments	799	441
Amortisation of rights of use	31,331	27,401

Information on the rights of use and further explanations can be found in Notes (10) and (15).

(28) Non-current and current trade payables

in EUR K	current	non-current	Carrying amount as at 31 Dec 2025	current	non-current	Carrying amount as at 31 Dec 2024
from						
Third parties	54,793	23	54,816	58,505	71	58,576
Companies accounted for using the equity method	126	0	126	125	0	125
Total trade payables	54,919	23	54,942	58,630	71	58,701

The fair values of trade payables correspond to the carrying amounts.

(29) Non-current and current other financial liabilities

in EUR K	current	non-current	Carrying amount as at 31 Dec 2025	current	non-current	Carrying amount as at 31 Dec 2024
Negative fair values of derivative financial instruments	312	0	312	246	0	246
Miscellaneous other financial liabilities						
towards customers	26,334	0	26,334	25,054	0	25,054
towards employees	1,159	0	1,159	1,290	0	1,290
Other	13,114	2,388	15,502	12,225	2,353	14,578
Total other financial liabilities	40,919	2,388	43,307	38,815	2,353	41,168

As in the previous year, the negative fair value of derivative financial instruments resulted from currency hedging transactions explained in Note (33) in more detail.

(30) Non-current and current other liabilities

in EUR K	current	non-current	Carrying amount as at 31 Dec 2025	current	non-current	Carrying amount as at 31 Dec 2024
Advance payment received on orders	2,669	0	2,669	2,933	0	2,933
Miscellaneous liabilities						
from other taxes	10,424	0	10,424	10,119	0	10,119
social security liabilities	5,283	0	5,283	5,096	0	5,096
towards employees	27,591	150	27,741	26,188	0	26,188
Other	9,876	6	9,882	7,135	8	7,143
Total other liabilities	55,843	156	55,999	51,471	8	51,479

Other disclosures

(31) Statement of cash flows

The Statement of cash flows shows how the Group's liquidity position has changed in the course of the year under review as a result of cash inflows and outflows. For this purpose, it distinguishes between cash flow from operating activities, cash flow from investing activities and cash flow from financing activities (IAS 7 Statement of Cash Flows).

The liquid fund in the Statement of cash flows solely comprises the cash and cash equivalents reported in the Statement of financial situation that include financial investments with an original term of up to three months.

Based on EAT, the cash flow is indirectly derived from operating activities. Earnings after taxes (EAT) are adjusted for taxes on income and earnings as well as for non-cash expenses (essentially depreciation/amortisation) and non-cash income. Cash flow from operating activities reflects changes in working capital.

Cash inflows and cash outflows from investing and financing activities are calculated using the direct method. Investment

activities comprise disbursements for additions to Intangible assets and Tangible fixed assets as well as disbursements for the acquisition of consolidated companies and other business units, interest received, deposits arising from the disposal of Intangible assets and Property, plant and equipment, as well as disbursements and payments for financial investments.

Financing activities comprise cash outflows from payments to shareholders, interest payments, payments for the repayment portion of the lease liabilities, and the taking-out and repayment of loans, as well as changes to miscellaneous borrowings. Changes in the balance sheet items analysed for the statement of cash flows cannot be directly derived from the Statement of financial situation on account of non-cash currency translation effects and other non-cash transactions.

The following overview shows the changes in the liabilities from financing activities:

in EUR K	1 January 2024	Changes to the companies consolidated	Cash flows	New leases	Reclassifi- cation of maturity	Currency translation effects	31 December 2024
Current interest-bearing loans	2,615	980	-1,892	0	20	0	1,723
Non-current interest-bearing loans	20	0	0	0	-20	0	0
Total interest-bearing loans	2,635	980	-1,892	0	0	0	1,723
Current lease liabilities	21,855	332	-26,018	3,979	25,525	-137	25,536
Non-current lease liabilities	79,114	-39	0	24,273	-25,525	-761	77,062
Total lease liabilities	100,969	293	-26,018	28,252	0	-898	102,598
Total liabilities from financing activities	103,604	1,273	-27,910	28,252	0	-898	104,321

in EUR K	1 January 2025	Changes to the companies consolidated	Cash flows	New leases	Reclassifi- cation of maturity	Currency translation effects	31 December 2025
Current interest-bearing loans	1,723	0	-21	0	0	0	1,702
Non-current interest-bearing loans	0	0	0	0	0	0	0
Total interest-bearing loans	1,723	0	-21	0	0	0	1,702
Current lease liabilities	25,536	0	-27,235	5,021	23,074	-182	26,214
Non-current lease liabilities	77,062	0	0	30,866	-23,074	-886	83,968
Total lease liabilities	102,598	0	-27,235	35,887	0	-1,068	110,182
Total liabilities from financing activities	104,321	0	-27,256	35,887	0	-1,068	111,884

(32) Segment reporting

For the purpose of corporate management by the responsible corporate entity – the personally liable partner STO Management SE – the Group was divided up into geographical business units. These were divided into the operating segments of Western Europe, Northern/Eastern Europe and America/Asia/Pacific. The business segment of Western Europe comprised business in the regions of the Euro zone (without Finland, Lithuania, and Slovakia), as well as Switzerland.

The activities of all segments included the production and distribution of facade systems, facade coatings, interior products, and other product groups.

The full Executive Board of the personally liable partner STO Management SE was identified as Chief Operating Decision Maker as the underlying topics, e.g. the allocation of resources and questions regarding corporate planning, were jointly decided by the Executive Board.

The netting prices between segments conformed to arms-length conditions. Transfers between business segments were eliminated on consolidation.

Internal reporting was carried out in accordance with IFRS.

The segment results were reported in the levels EBITDA, EBIT, and EBT. The elimination of inter-segment earnings and the income from investments of the company accounted for using the equity method in the amount of EUR 81 K were recorded in EBT.

In the previous year, the elimination of inter-segment earnings, the income from investments of the company using the equity method of EUR 92 K and the deconsolidation result of Sto Ltd., Paisley/ Great Britain of EUR 260 K were recognised in EBT.

Depreciation/amortisation relate to Property, plant, and equipment, Intangible assets, Rights of use as well as Impairments. Investments relate to Property, plant and equipment, and Intangible assets.

In the year under review, the impairment test at Sto Australia Pty Ltd, Dandenong South/Australia, resulted in a necessary impairment of goodwill of EUR 1,940 K in the America/Asia/Pacific segment.

In the previous year, impairment tests at Sto Ltd., Paisley/Great Britain and the CGU Ströher resulted in necessary impairments on intangible assets of EUR 865 K and EUR 689 K respectively in the segment of Western Europe.

Segment assets mainly comprise Property, plant and equipment, Intangible assets, Rights of use, Inventories, Trade receivables from third parties as well as Other receivable and Financial assets from third parties. Segment assets are not a control variable.

Income tax receivables in the amount of EUR 28,142 K (previous year: EUR 15,308 K), and Deferred tax assets in the amount of EUR 17,241 K (previous year: EUR 20,820 K) are listed in the 'Reconciliation/consolidation booking entries' column under 'Segment assets'. No material adjustments were made to earnings.

Owing to the broad customer structure, there is no customer with whom 10% or more of sales revenues are generated.

The breakdown of sales revenues is made according to the customer's head office.

in EUR K	Germany	France	Miscellaneous	Total in 2024
External revenues	653,535	194,202	764,574	1,612,311
Intangible assets, Property, plant and, equipment, and Rights of use	245,201	36,415	171,288	452,904

in EUR K	Germany	France	Miscellaneous	Total in 2025
External revenues	645,861	200,794	744,457	1,591,112
Intangible assets, Property, plant and, equipment, and Rights of use	249,884	38,151	167,856	455,891

(33) Further information on financial instruments

The Sto Group categorises financial instruments as follows:

- Financial instruments at fair value through profit or loss
- Financial assets at amortised costs of acquisition
- Financial instruments with a value recognition in accordance with IFRS 16
- financial instruments outside the scope of application of IFRS 7 (equity investments)

Reconciliation of balance sheet items with financial instrument categories 2024

in EUR K	Measurement category in accordance with IFRS 9	Carrying amount 31 Dec 2024	Financial instruments				
			Amortised costs of acquisition		Fair value	Value recognition in the balance sheet in accordance with IFRS 16	Not in the scope of application of IFRS 7/hedge accounting
			Carrying amount	Fair value			
Assets							
Trade receivables	FAAC	165,096	165,096	165,096	0	0	0
Other financial assets							
Other investments	FVTPL	4	0	0	4	0	0
Holding and trading of financial investments	FVOCI	156,607	0	0	156,607	0	0
Derivative assets without hedge relationship	FVTPL	407	0	0	407	0	0
Miscellaneous other financial assets	FAAC	9,197	9,197	9,197	0	0	0
Other financial assets – joint ventures	FAAC	252	252	252	0	0	0
Financial investments	FAAC	49,487	49,487	49,087	0	0	0
Total other financial assets		215,954	58,936	58,536	157,018	0	0
Cash and cash equivalents	FAAC	110,932	110,932	110,932	0	0	0
Equity and liabilities							
Borrowings	FLAC	1,723	1,723	1,723	0	0	0
Lease liabilities	N/A	102,598	0	0	0	102,598	0
Trade payables	FLAC	58,701	58,701	58,701	0	0	0
Other financial liabilities							
Derivative liabilities without hedge relationship	FLTPL	246	0	0	246	0	0
Miscellaneous other financial liabilities	FLAC	40,922	40,922	40,922	0	0	0
Total other financial liabilities		41,168	40,922	40,922	246	0	0

Reconciliation of balance sheet items with financial instrument categories 2025

in EUR K	Measurement category in accordance with IFRS 9	Carrying amount 31 Dec 2025	Financial instruments				
			Amortised costs of acquisition		Fair value	Value recognition in the balance sheet in accordance with IFRS 16	Not in the scope of application of IFRS 7/hedge accounting
			Carrying amount	Fair value			
Assets							
Trade receivables	FAAC	157,793	157,793	157,793	0	0	0
Other financial assets							
Other investments	FVTPL	4	0	0	4	0	0
Holding and trading of financial investments	FVOCI	161,348	0	0	161,348	0	0
Derivative assets without hedge relationship	FVTPL	307	0	0	307	0	0
Miscellaneous other financial assets	FAAC	8,385	8,385	8,385	0	0	0
Other financial assets – joint ventures	FAAC	153	153	153	0	0	0
Financial investments	FAAC	47,419	47,419	47,369	0	0	0
Total other financial assets		217,616	55,957	55,907	161,659	0	0
Cash and cash equivalents	FAAC	114,680	114,680	114,680	0	0	0
Equity and liabilities							
Borrowings	FLAC	1,702	1,702	1,702	0	0	0
Lease liabilities	N/A	110,182	0	0	0	110,182	0
Trade payables	FLAC	54,942	54,942	54,942	0	0	0
Other financial liabilities							
Derivative liabilities without hedge relationship	FLTPL	312	0	0	312	0	0
Miscellaneous other financial liabilities	FLAC	42,995	42,995	42,995	0	0	0
Total other financial liabilities		43,307	42,995	42,995	312	0	0

The carrying amounts of the financial instruments aggregated in accordance with the measurement categories stipulated in IFRS 9:

in EUR K	31 Dec 2025	31 Dec 2024
Financial assets at fair value through profit or loss (FVTPL)	311	411
Financial assets at amortised cost (FAAC)	328,430	334,964
Financial assets measured at fair value with no impact on profit or loss (FVOCI)	161,348	156,607
Financial liabilities at amortised cost (FLAC)	99,639	101,346
Financial liabilities at fair value through profit or loss (FLTPL)	312	246

Fair value hierarchy of financial assets and liabilities measured at fair value

in EUR K	31 Dec 2024	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
· Derivatives with no hedge relationship	407	0	407	0
· Miscellaneous	4	0	0	4
Financial assets measured at fair value with no impact on profit or loss				
· Holding and trading of financial investments	156,607	156,607	0	0
Financial assets measured at fair value	157,018	156,607	407	4
Financial liabilities measured at fair value through profit or loss				
· Derivatives with no hedge relationship	246	0	246	0
Financial liabilities measured at fair value	246	0	246	0

in EUR K	31 Dec 2025	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
· Derivatives with no hedge relationship	307	0	307	0
· Miscellaneous	4	0	0	4
Financial assets measured at fair value with no impact on profit or loss				
· Holding and trading of financial investments	161,348	161,348	0	0
Financial assets measured at fair value	161,659	161,348	307	4
Financial liabilities measured at fair value through profit or loss				
· Derivatives with no hedge relationship	312	0	312	0
Financial liabilities measured at fair value	312	0	312	0

The following financial assets and liabilities accounted for at fair value are structured according to the following levels:

Level 1

Financial instruments traded in active markets, the listed prices of which were adopted unchanged for measurement purposes.

Level 2

The valuation was made on the basis of valuation methods in which the influential factors were derived either directly or indirectly from observable market data. They were measured based on the observable exchange rates, interest structure curves of the respective currencies as well as currency-related basic spreads between the respective currencies. Derivatives consisted exclusively of currency hedges.

Level 3

The measurement was effected using valuation methods where the influential factors were not based exclusively on observable market data.

Neither any reclassifications between the levels nor any additions or disposals were carried out during the reporting period.

The valuation result from fair-value measurement with an impact on profit or loss is a component of Other operating income, Note (3) and Other operating expenses, Note (6). No netting takes place.

Financial instruments recognised at fair value with no impact on profit or loss were measured on the basis of market values as at the reference date.

The following table shows the carrying amounts and fair values of the financial instruments as at 31 December 2025, excluding financial instruments which typically barely differ between carrying amount and fair values:

in EUR K	Carrying amount as at 31 Dec 2025	Fair value as at 31 Dec 2025	Fair-value level
Other financial assets			
Non-current			
Investments	4	4	Level 3
Loans	800	800	Level 2
Financial investments (FVOCI)	31,464	31,464	Level 1
Financial investments (FAAC)	20,742	20,746	Level 2
Various other financial assets	1,841	1,841	Level 2
Total non-current other financial assets	54,851	54,855	
Current			
Financial investments (FVOCI)	129,884	129,884	Level 1
Financial investments (FAAC)	26,677	26,623	Level 2
Forward exchange contracts	307	307	Level 2
Various other financial assets	5,897	5,897	Level 2
Total current other financial assets	162,765	162,711	
Total other financial assets	217,616	217,566	
Other financial liabilities			
Non-current			
Various other financial liabilities	2,388	2,388	Level 2
Total non-current other financial liabilities	2,388	2,388	
Current			
Borrowings	1,702	1,702	Level 2
Forward exchange contracts	312	312	Level 2
Various other financial liabilities	40,607	40,607	Level 2
Total current other financial liabilities	42,621	42,621	
Total other financial liabilities	45,009	45,009	

The carrying amounts of cash and cash equivalents, trade receivables and liabilities as well as current borrowings and other liabilities nearly correspond to the fair values due to their short terms. The financial investments and borrowings are mainly borrower's note loans, Money Market Funds, fixed-term deposits, loans and current account credits to banks. The fair values of financial assets and liabilities at amortised cost were determined using the present-value method based on interest rates appropriate to maturities and creditworthiness.

Net earnings from financial instruments categorised in accordance with IFRS 9

The following table shows the net earnings of the financial instruments by measurement categories:

in EUR K	2025	2024
Assets		
Financial assets at fair value through profit or loss (FVTPL)	1,478	1,232
Financial assets measured at fair value with no impact on profit or loss (FVOCI)	-71	73
Financial assets at amortised cost (FAAC)	-5,276	-4,733
Equity and liabilities		
Financial liabilities at amortised cost (FLAC)	-1,047	-2,064
Financial liabilities at fair value through profit or loss (FLTPL)	-1,670	-1,385

Net earnings from financial assets and liabilities recognised at fair value through profit or loss include changes in market value as well as exchange-rate related income and expenses from these financial instruments. Interest expenses and interest income are not part of net earnings.

Total interest income and expense from financial instruments not recognised at fair value through profit or loss

The following table shows the total interest income and expenses of the financial instruments. All interest is attributable to financial receivables and financial liabilities, which are measured at amortised acquisition costs.

in EUR K	2025	2024
Interest income	4,594	5,305
Interest expenses	4,514	4,434
Net interest income	80	871

Valuation of derivative financial instruments

The market values of the derivative financial instruments are determined on the basis of the tradability based on reference prices and valuation models and is presented as follows:

31 Dec 2024		
in EUR K	Nominal volume	Total market value
Currency forwards	61,568	161
Total derivative financial instruments	61,568	161

31 Dec 2025		
in EUR K	Nominal volume	Total market value
Currency forwards	64,828	-5
Total derivative financial instruments	64,828	-5

The nominal volume of a derivative hedge transaction is the reference amount for which the payments are derived. The hedged contract and the risk are not the same as the nominal volume but only reflect rate changes to which they refer. The market value corresponds to the amount that would have to be paid at the balance sheet date if the hedge had been settled.

The increase in the nominal volume in a functional currency in case of foreign currency forwards is based on an increased hedging volume of payments outside the functional currency.

As a rule, the residual maturity of the currency derivatives lies within a year.

Hedging policy

The Group's international activities expose it to interest and currency risks in particular. The goal of risk management is to adequately hedge currency risks that can arise during planning. Currency forwards with a term of up to one year are generally concluded for this purpose.

Directives are used to regulate the scope of action and internal controls. Within the framework of these directives, only hedging transactions with approved counterparties may be concluded to hedge existing or planned transactions. As a matter of principle, the type and scope of hedging operations are determined by the underlying transaction.

Liquidity risk

Liquidity planning is the basis of liquidity management. As at the balance sheet date, cash and cash equivalents as well as existing, unused credit lines in the amount of EUR 124.9 million (previous year: EUR 126.2 million) were available. The credit facilities were essentially a syndicated loan whose term had originally been agreed until April 2027 with two one-year extension options. In the meantime, the second extension option has been utilised, meaning that the term is currently agreed until April 2029.

The following overview sets out the contractually agreed cash outflows from financial instruments including interest, not including cash outflows from leases shown in Note (27):

Cash outflows as at 31 December 2024				
in EUR K	up to 1 year	1–5 years	5–10 years	31 Dec 2024
Borrowings	1,759	0	0	1,759
Trade payables	58,637	74	0	58,711
Other financial liabilities	38,612	2,421	0	41,033
Derivatives	61,376	0	0	61,376
Total cash outflows	160,384	2,495	0	162,879

Cash outflows as at 31 December 2025				
in EUR K	up to 1 year	1–5 years	5–10 years	31 Dec 2025
Borrowings	1,735	0	0	1,735
Trade payables	59,847	23	0	59,870
Other financial liabilities	41,441	2,411	0	43,852
Derivatives	64,740	0	0	64,740
Total cash outflows	167,763	2,434	0	170,197

In the following, the cash outflows are compared to the cash inflows of the derivatives:

Cash inflows/outflows as at 31 Dec 2024				
in EUR K	up to 1 year	1–5 years	5–10 years	Total
Inflow	61,537	0	0	61,537
Outflow	61,376	0	0	61,376
Balance	161	0	0	161

Cash inflows/outflows as at 31 Dec 2025				
in EUR K	up to 1 year	1–5 years	5–10 years	Total
Inflow	64,735	0	0	64,735
Outflow	64,740	0	0	64,740
Balance	-5	0	0	-5

The amounts correspond to the un-discounted cash flows. The payments can be processed on a gross or net basis.

Default risk arising from financial assets

The default risk arising with regard to financial assets is based on a contractual partner defaulting and is hence limited to the maximum net carrying amount of the receivable due from the respective counterparty.

In connection with the investment of cash and the portfolio of derivative financial assets, there are generally default risks due to the risks of financial institutions failing to honour their obligations. The resulting risk was controlled by means of diversification and the careful selection of counterparties. As at the balance sheet date, no cash investments or derivative financial assets were overdue or individually impaired.

The default risk of trade receivables was taken into account by means of impairments. There was no concentration of default risks, which were mainly measured by cluster risks, i.e. risk concentrations with regard to borrower rating classes, customer structure and proportion of receivables from a customer in relation to total receivables.

Development of impairment of the financial instruments measured at amortised acquisition costs

in EUR K	Trade receivables	Other financial assets (FAAC)
As at 1 January 2024	25,002	396
Exchange rate differences	-193	0
Additions	7,710	31
Consumption	-3,908	-9
Reversals	-4,407	-145
Changes to the companies consolidated	-15	0
As at 31 Dec 2024	24,189	273

in EUR K	Trade receivables	Other financial assets (FAAC)
As at 1 January 2025	24,189	273
Exchange rate differences	-147	-5
Additions	7,209	31
Consumption	-5,241	0
Reversals	-2,027	-25
Changes to the companies consolidated	0	0
As at 31 Dec 2025	23,983	274

Impairment of financial assets

The basis of assessment for determining the provisions for loss using the general approach in relation to the age structure ranges in accordance with IFRS 9 resulted from the underlying gross receivables of EUR 181,776 K (previous year: EUR 189,285 K) less individual impairments of EUR 17,766 K (previous year: EUR 18,610 K) based on gross receivables of EUR 18,597 K (previous year: EUR 20,520 K), recoverable VAT of EUR 23,800 K (previous year: EUR 22,211 K), held securities from customers of EUR 1,959 K (previous year: EUR 4,480 K) as well as credit-insured contributions of EUR 40,555 K (previous year: 27,651 K). To calculate provisions for loss, the gross receivables, recoverable VAT, held securities from customers as well as credit-insured contributions underlying the individual impairments were deducted from the gross receivables for determining the basis of assessment as the corresponding amounts were assessed as fully recoverable and hence not associated with risks. After deducting the above-mentioned amounts from the gross receivables, gross receivables of EUR 96,865 K remained (previous year: EUR 114,423 K), which formed the basis for recognising provisions for loss of EUR 6,217 K (previous year: EUR 5,579 K).

IFRS 9 Provisions for loss on trade receivables using the general approach as at 31 December 2024:

in EUR K	Not due	1–30 days	31–60 days	61–90 days	91–120 days	121–180 days	181–364 days	365–730 days	> 730 days	Total
Trade receivables	79,437	17,438	5,621	2,304	1,302	1,683	1,996	1,866	2,776	114,423
Risk coefficient	0.19%	2.38%	6.02%	9.54%	13.43%	18.49%	27.56%	56.76%	85.00%	
Provisions for loss	151	415	338	220	175	311	550	1,059	2,360	5,579

IFRS 9 Provisions for loss on trade receivables using the general approach as at 31 December 2025:

in EUR K	Not due	1–30 days	31–60 days	61–90 days	91–120 days	121–180 days	181–364 days	365–730 days	> 730 days	Total
Trade receivables	64,334	16,107	5,392	1,975	915	1,591	1,910	1,521	3,120	96,865
Risk coefficient	0.23%	2.69%	6.86%	13.14%	19.62%	26.84%	40.93%	63.51%	85.00%	
Provisions for loss	148	433	370	259	180	427	782	966	2,652	6,217

Taking into account all impairments of EUR 23,983 K (previous year: EUR 24,189 K), this resulted in amortised acquisition costs of EUR 157,793 K (previous year: EUR 165,096 K).

IFRS 9 Provisions for loss on other financial assets and cash and cash equivalents as at 31 December 2024:

in EUR K	Basis of assessment	Discount in %	Provisions for loss
Financial investments, and cash and cash equivalents (FAAC)	160,660	0.15%	241
Financial investment at fair value OCI (FVOCI)	156,607	0.08%	125
Other financial assets – Associated companies (FAAC)	252	0.07%	0
Other financial assets – Third parties (FAAC)	9,228	0.34%	31

IFRS 9 Provisions for loss on other financial assets and cash and cash equivalents as at 31 December 2025:

in EUR K	Basis of assessment	Discount in %	Provisions for loss
Financial investments, and cash and cash equivalents (FAAC)	162,343	0.15%	244
Financial investment at fair value OCI (FVOCI)	161,348	0.12%	195
Other financial assets – Associated companies (FAAC)	153	0.13%	0
Other financial assets – Third parties (FAAC)	8,415	0.36%	30

The total impairment expense, including individual impairments, amounts to EUR 7,209 K (previous year: EUR 7,710 K) for Trade receivables and to EUR 30 K (previous year: EUR 31 K) for other financial assets (FAAC). As in the previous year, all impairment expenses are still in the process of being recovered.

Currency risk

Payments in foreign currency are determined in the budget phase for the following year. On the basis of the planned payment flows, suitable hedging strategies are created, agreed upon with the relevant bodies, and implemented. The planned cash positions are hedged without exception through hedging instruments congruent with the time and economic state from the area of derivatives. The currency hedge mainly affected CZK/EUR, HUF/EUR, SGD/EUR, NOK/EUR, SEK/EUR, PLN/EUR, CHF/EUR, DKK/EUR, AUD/EUR, /EUR, NZD/EUR as well as CAD/USD. The changes in fair value were recognised in the Statement of profit or loss with an impact on profit or loss.

The main operative currency risks are due to the manufacture of products in Germany and their subsequent selling and delivery to subsidiaries outside of Germany in Euro. Currency risks occurred due to business completed in euros with subsidiaries outside the Euro zone, mainly in Switzerland, Sweden, Poland, Hungary, Norway, and the Czech Republic. All non-functional currencies in which the Group holds financial instruments are used as relevant risk variables in the sensitivity analysis stipulated by IFRS 7.

As in the previous year, the essential currency risk results from the change in the assets and liabilities in the non-functional currency pair USD/EUR. If the US dollar had been valued 10% higher or lower against the euro, earnings before tax would have been EUR 746 K higher (previous year: EUR 165 K higher) or EUR 610 K lower (previous year: EUR 135 K lower).

Interest rate risk

Interest risks in accordance with IFRS 7 essentially arise due to possible changes in the market interest rates for cash investments and due to the variable interest rates for current and non-current liabilities.

The volume of non-current, variable-rate borrowings was so low that a change of the market interest level by 100 basis points as at 31 December 2025 would have had no significant impact on earnings, like in the previous year.

As at the balance sheet date, there was no interest risk due to the fixed interest rates of longer-term financial investments.

(34) Contingencies

in EUR K	2025	2024
Guarantees from the Sto Group to third parties	124	549
Reserve liability to cooperatives	0	1
Total contingencies	124	550

In the case of the default guarantees or contingency of EUR 124 K (previous year: EUR 550 K), no liability is expected to arise.

(35) Litigation

Sto SE & Co. KGaA is confronted with amendments to international and national general conditions in the USA, Great Britain, Canada and the European Union, among others. These include, for example, amendments to statutory warranty periods, which can also be made with retrospective effect, or the arbitrary introduction of customs duties. As some of the amendments are implemented unannounced and are therefore unpredictable, considerable risks may arise for the Sto Group. This does not exclude procedural costs and other related expenses that may arise in connection with the above legal risks and could have a significant impact on our earnings.

Sto SE & Co. KGaA or its Group companies are not involved in any legal or arbitration proceedings which, according to current estimates, could have a significant influence on the Group's economic situation. There is no evidence that any such litigation or proceedings will arise in the future. Provisions in an appropriate amount have been set aside by the individual Group companies to allow for any expenses arising from court litigation or arbitration proceedings.

(36) Other financial obligations

in EUR K	31 Dec 2024	Maturity		
		within one year	between 1 – 5 years	after 5 years
Liabilities from maintenance contracts	5,479	4,379	1,100	0
Acceptance obligations	46,336	27,577	18,759	0
Other obligations	4,511	2,116	2,387	8
Total other financial obligations	56,326	34,072	22,246	8

in EUR K	31 Dec 2025	Maturity		
		within one year	between 1 – 5 years	after 5 years
Liabilities from maintenance contracts	4,600	3,590	1,010	0
Acceptance obligations	35,591	25,160	10,431	0
Other obligations	3,691	1,757	1,931	3
Total other financial obligations	43,882	30,507	13,372	3

Of the acceptance obligations, an amount of EUR 6,407 K (previous year: EUR 4,885 K) relates to items of tangible fixed assets. Furthermore, acceptance obligations relating to inventories as well as other acceptance obligations exist.

(37) Auditors' fees

The total fee charged for services provided by the Group auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart/Germany, and the global PwC network is as follows:

in EUR K	2025		2024	
	PwC worldwide	thereof Germany	PwC worldwide	thereof Germany
Auditing services	1,464	1,002	1,326	866
Tax consulting services	0	0	0	0
Other certification services	238	234	399	393
Other services	0	0	0	0
Auditors' fees in total	1,702	1,236	1,725	1,259

The audit services include subsequent charges from the 2024 financial year in the amount of EUR 71 K (previous year: EUR 58 K). The auditing services primarily related to the statutory audits of the annual financial statement and consolidated financial statements of Sto SE & Co. KGaA as well as various audits of the annual financial statements of its subsidiaries. The services rendered for other certification or valuation activities mainly included legally or contractually required certifications of the auditor.

(38) Events after the balance sheet date

In particular, the armed conflicts between Iran, Israel and the USA, which also affect oil and natural gas-producing Gulf states, are exacerbating geopolitical tensions. Please refer to the risks described in the Risk report. Based on an initial analysis of the situation, no substantial effects on the Group's assets, liabilities, financial position and profit or loss are currently expected. Between the end of the financial year 2025 and the point at which this report was signed off, there were no other events with a significant impact on the assets, liabilities, financial position and profit or loss of the Sto Group.

(39) Related-party disclosures

IAS 24 defines related parties as persons or entities liable to be influenced by the reporting entity or are capable of influencing the reporting entity in question. Please refer to Section 1. 'Information on the Company' within the chapter 'General information' for information on the shareholder structure.

All business relations with related parties were conducted on arms-length terms.

As at 31 December 2025, members of the Executive Board of STO Management SE and the Supervisory Board of Sto SE & Co. KGaA are members of the supervisory boards

of or have a leading position at other companies with which Sto SE & Co. KGaA maintains relations as part of its ordinary business activities. All transactions with such companies are conducted on arms-length terms.

The volume of deliveries and services, including net interest income, between companies in the Sto Group and related parties and persons are set out in the following table:

in EUR K	Share	Rendered deliveries and services		Received deliveries and services		Receivables from		Liabilities to	
		2025	2024	2025	2024	2025	2024	2025	2024
Inotec GmbH, Waldshut-Tiengen/Germany	47.5%	25	21	3,276	3,349	154	252	126	125
STO Management SE, Stühlingen/Germany		807	1,056	3,950	4,494	108	78	2,348	2,464
Stotmeister Beteiligungs GmbH, Stühlingen/Germany		69	114	0	0	29	48	0	0
Other		0	0	404	355	0	0	94	49

(40) List of subsidiaries and investments as at 31 December 2025

Fully consolidated companies in Germany

Capital share in %	2025	2024
StoCretec GmbH, Kriftel/Germany	100	100
Verotec GmbH, Lauingen/Germany	100	100
Gefro Verwaltungs-GmbH & Co. KG, Stühlingen/Germany	100	100
Südwest Lacke + Farben GmbH & Co. KG, Böhl-Iggelheim/Germany	100	100
Südwest Lacke + Farben Verwaltungs-GmbH, Böhl-Iggelheim/Germany	100	100
Innolation GmbH, Lauingen/Germany	100	100
Sto SMEE Beteiligungs GmbH, Stühlingen/Germany	100	100
Ströher GmbH, Dillenburg/Germany	100	100
Ströher Produktions GmbH & Co. KG, Dillenburg/Germany	100	100
GEPADI Fliesen GmbH, Dillenburg/Germany	100	100
JONAS Farben GmbH, Wülfrath/Germany	100	100
Sto BTB GmbH, Stühlingen/Germany	100	100
Sto BTF GmbH, Stühlingen/Germany	100	100
Sto BTK GmbH, Stühlingen/Germany	100	100
Sto BTN GmbH, Stühlingen/Germany	100	100
Sto APAC GmbH, Stühlingen/Germany (formerly: Sto BTR GmbH, Stühlingen/Germany)	100	100
Sto BTV GmbH, Stühlingen/Germany	100	100
Sto Building Solutions GmbH, Stühlingen/Germany	100	100
Liaver GmbH & Co. KG, Ilmenau/Germany	100	100
Liaver Beteiligungen GmbH, Stühlingen/Germany	100	100
Sto Panel Holding GmbH, Stühlingen/Germany	100	100
VIACOR Polymer GmbH, Rottenburg am Neckar/ Germany	100	100

For changes in 2025, please refer to Section 4. 'Companies consolidated' within the chapter 'General information'.

Fully consolidated companies outside of Germany

Capital share in %	2025	2024
Sto Ges.m.b.H., Villach/Austria	100	100
Sto S.A.S., Bezons/France	100	100
Beissier S.A.S., La Chapelle la Reine/France	100	100
Innolation S.A.S., Amilly/France	100	100
Beissier S.A.U., Erretería/Spain	100	100
Sto SDF Ibérica S.L.U., Sant Boi de Llobregat/Spain	100	100
Sto Isoned B.V., Tiel/Netherlands	100	100
Sto N.V., Asse/Belgium	100	100
Sto S.à r.l., Grevenmacher/Luxemburg	100	100
Sto Italia Srl, Empoli/Italy	100	100
Sto Finexter OY, Vantaa/Finland	100	100
Sto Scandinavia AB, Linköping/Sweden	100	100
Sto Danmark A/S, Hvidovre/Denmark	100	100
Sto Norge AS, Langhus/Norway	100	100
UAB TECH-COAT, Klaipėda/Lithuania	95	95
Sto AG, Niederglatt/Switzerland	100	100
Sto Sp. z o.o., Warsaw/Poland	100	100
Sto Építőanyag Kft., Dunaharaszti/Hungary	100	100

Capital share in %	2025	2024
Sto s.r.o., Dobřejovice/Czech Republic	100	100
STOMIX spol. s.r.o., Skorosice/Czech Republic	100	100
Sto Slovensko s.r.o., Bratislava/Slovakia	100	100
Sto Yapı Sistemleri Sanayi ve Ticaret A.Ş., İstanbul/Türkiye	100	100
Sto Corp., Atlanta/USA	100	100
Sto Canada Ltd., Etobicoke/Canada	100	100
Skyrise Prefab Building Solutions Inc., Pickering/Canada	100	100
Industrial y Comercial Sto Chile Ltda., Santiago de Chile/Chile	100	100
Sto Colombia S.A.S., Bogota D.C./Columbia	100	100
Sto Mexico S. de R.L. de C.V., Monterrey/Mexico	100	100
Sto Brasil Revestimentos e Fachadas Ltda., Itaquaquetuba/Brazil	100	100
Sto Corp. Latin America Inc., Panama/Panama*	100	100
Shanghai Sto Ltd., Shanghai/China	100	100
Langfang Sto Building Material Co. Ltd., Langfang/China	100	100
Wuhan Sto Building Material Co. Ltd., Wuhan/China	100	100
Sto SEA Pte. Ltd., Singapore/Singapore	100	100
Sto SEA Sdn. Bhd., Masai/Malaysia	100	100
Sto Australia Pty Ltd, Dandenong South/Australia	100	100
ACN 638 144 082 Pty Ltd, Dandenong South/Australia*	100	100
The Render Warehouse Pty Ltd, Dandenong South/Australia*	100	100
Zebra Architectural Products Pty Ltd, Dandenong South/Australia*	100	100
Stoanz Ltd, Wellington/New Zealand	100	100

* Companies without business operations and without any activity

For changes in 2025, please refer to Section 4. 'Companies consolidated' within the chapter 'General information'.

Companies accounted for using the equity method

Capital share in %	2025	2024
Inotec GmbH, Waldshut-Tiengen/Germany	47.5	47.5

No restrictions apply with regard to the liquidation of assets or the payment of debts for a fully consolidated company within the Group.

(41) Deutsche Corporate Governance Kodex (German Corporate Governance Code)

On 16 December 2025, the Executive Board of the personally liable partner of Sto SE & Co. KGaA, STO Management SE, and the Supervisory Board of Sto SE & Co. KGaA issued the declaration of compliance with the recommendations of the Regierungskommission Deutscher Corporate Governance Kodex (Governmental commission German Corporate Governance Code) in the version of 28 April 2022 in accordance with Section 161 of the German Stock Corporation Act (AktG) and, on 17 December 2025, made it available to shareholders on the Internet page www.sto.de in the section 'Investor Relations' under the category 'Corporate Governance & Compliance' under 'Entsprechenserklärung' (Declaration of compliance).

(42) Remuneration of the Management body and the Supervisory Board

Due to its legal form, Sto SE & Co. KGaA does not have an Executive Board; business is conducted by the personally liable partner STO Management SE as the sole member of the management body pursuant to Section 287 (2) of the German Stock Corporation Act (AktG). This partner receives the statutory liability remuneration and expense allowance in accordance with Section 6 (3) of the Articles of Association of Sto SE & Co. KGaA. This complies with the statutory provisions contained in the German Stock Corporation Act (AktG). Part of this expense allowance was the remuneration of the members of the Executive Board of STO Management SE in the 2025 financial year. The remuneration is made up of a fixed component and a variable component, which can have a larger share but is capped. The variable element consists of a long-term incentive which is based on the turnover development of the Sto Group and the ROCE Group key figure of the past three financial years in comparison to the target for this period, as well as a short-term incentive for the current financial year that is dependent on the Sto Group's earnings after taxes that were modified in the year under review. No stock options are granted. Current due payments for this totalled EUR 2,638 K (previous year: EUR 2,902 K). The long-term-incentive payments, which are also due in the short term, amounted to EUR 0 K (previous year: EUR 0 K). Current and non-current payments amounted to a total of EUR 2,638 K* (previous year: EUR 2,902 K). Expenses for future benefits after terminating the employment relationship (current service cost) amounted to EUR 183 K (previous year: EUR 278 K). Remunerations for the Executive Board of STO Management SE thus totalled EUR 2,821 K (previous year: EUR 3,180 K). Another part of the expense allowance for STO Management SE was the remuneration of the Supervisory Board of STO Management SE for the 2025 financial year in the amount of EUR 195 K (previous year: EUR 195 K).

As at 31 December 2025, the non-current financial liabilities for the current members of the Executive Board of STO Management SE amounted to EUR 44 K (previous year: EUR 50 K). Furthermore, there are current financial liabilities in the amount of

EUR 850 K (previous year: EUR 1,145 K). As at 31 December 2025, pension provisions for former members of the Executive Board were valued at EUR 1,084 K (previous year: EUR 2,079 K) due to offsetting against plan assets. Remuneration paid to former members of the Executive Board and the Supervisory Board came to EUR 475 K (previous year: EUR 466 K).

In the 2025 financial year, remunerations of the Supervisory Board of Sto SE & Co. KGaA totalled EUR 655 K (previous year: EUR 647 K). Following the amendment of Section 11 of the Articles of Association of Sto SE & Co. KGaA in 2022, the members of the Supervisory Board will receive an annual fixed remuneration in the amount of EUR 35 K. In addition to the fixed (basic) remuneration, the members of the Supervisory Board receive supplementary remuneration for additional positions. Supplementary remuneration is categorised as follows: EUR 70 K for the chairmanship of the Supervisory Board, EUR 25 K for the deputy chairmanship of the Supervisory Board, EUR 25 K for the chairmanship of the Audit Committee and/or Finance Committee, EUR 10 K for the chairmanship of the Nomination Committee, EUR 10 K for each membership of the Audit Committee and/or the Finance Committee (without having chairmanship of any of these committees), and EUR 5 K for the membership of the Nomination Committee (without having chairmanship of this committee). The members of the Supervisory Board will only receive currently due payments for their respective activities on the committee. Excluded from this are compensation and other payments to the Company's employee representatives pursuant to their employment contracts. No compensation has been granted for personally rendered services outside of committee activities by the members of the Supervisory Board.

* Expense allowance for the total remuneration of the Executive Board of the personally liable partner STO Management SE in accordance with Section 314 (1) No. 6 a) of the German Commercial Code (HGB).

Furthermore, we refer you to the Remuneration report in accordance with Section 162 of the German Stock Corporation Act (AktG), which is published on the website www.sto.de in the Section 'Investor Relations' under the category 'Vergütungsbericht gem. § 162 AktG' (Remuneration report in accordance with Section 162 AktG).

**Members of the Executive Board of
STO Management SE in the 2025 financial year
(personally liable partner of Sto SE & Co. KGaA):**

Rainer Hüttenberger

Chief Executive Officer, responsible for sales and finance
Stein am Rhein/Switzerland, Dipl.-Betriebswirt (FH)
Chairperson of the BOD of Sto Corp., Atlanta/USA
Chairmanship of BOD Shanghai Sto Ltd., Shanghai/China until
11 March 2025
Member BOD Sto SEA Pte. Ltd., Singapore/Singapore until
31 January 2025

Jost Joseph Bendel

Chief Technology Officer, Nuremberg/Germany,
Dipl.-Betriebswirt (Univ.)
Member BOD Shanghai Sto Ltd., Shanghai/China since
10 March 2025
Member of the Administrative Board Beissier S.A.U.,
Errenteria/Spain since 19 November 2025

Michael Keller

Deputy Chief Executive Officer (until 31 December 2025),
responsible for Brand Sales Sto Germany and Two-Tier Sales
Bonndorf/Germany, Ing.-Päd. (TU)
Member of the Administrative Board Beissier S.A.U.,
Errenteria/Spain until 19 November 2025

Désirée Konrad

Chief Financial Officer (until 31 December 2025),
Horb am Neckar/Germany, Bachelor of Arts,
Master of Business Administration, Master in Finance
Chairperson of BOD Sto Norge AS, Langhus/Norway
Désirée Konrad resigned from the Executive Board on
31 December 2025 with assurance of reappointment in ac-
cordance with Section 84 (3) of the German Stock Corpora-
tion Act, as she will be on maternity and parental leave from
1 January 2026

**Members of the Supervisory Board of Sto SE & Co. KGaA
in the financial year of 2025:**

* Employee representatives

Peter Zürn

Member of the Supervisory Board since 27 June 2007
Chairperson of the Supervisory Board since 22 June 2022
Chairperson of the Nomination Committee since 22 June 2022
Bretzfeld-Weißelsburg/Germany
Kaufmann (merchant)
Member of the Supervisory Board of STO Management SE,
Stühlingen/Germany
Member of the Administrative Board of PERI SE,
Weißenhorn/Germany
Member of the Advisory Board of gyde GmbH,
Stuttgart/Germany
Member of the Supervisory Board of Wirthwein SE,
Creglingen/Germany
since 1 September 2025

Niels Markmann *

Member of the Supervisory Board since 24 April 2020
Deputy Chairperson of the Supervisory Board since
22 June 2022
Member of the Finance Committee
Gelsenkirchen/Germany
Chairperson of the General Works Council and Chairper-
son of the Works Council for the North-West sales region,
Sto SE & Co. KGaA

Maria H. Andersson

Member of the Supervisory Board since 14 June 2017
Chairperson of the Finance Committee since 14 June 2017
Munich/Germany
Family Officer/Single Family Office, Munich/Germany
Partner at Mackewicz & Partner Investment Advisers,
Munich/Germany
Managing Director of GIWA Verwaltungs GmbH,
Munich/Germany
Managing Director of GIWA Immobilien GmbH,
Munich/Germany
Member of the Supervisory Board of STO Management SE,
Stühlingen/Germany
Member of the Advisory Board of Matador Secondary Private
Equity AG, Sarnen/Switzerland

Thade Bredtmann *

Member of the Supervisory Board since 22 June 2022
Member of the Audit Committee
Pfalzgrafenweiler/Germany
Regional Manager, Sto SE & Co. KGaA

Klaus Dallwitz *

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

Catharina van Delden

Member of the Supervisory Board since 22 June 2022
Colonia/Uruguay
Managing director Finches GmbH, Wörthsee/Germany
Member of the Advisory Board of Süd Deutsche Bank,
Munich/Germany

Sonja Dif*

Member of the Supervisory Board since 15 May 2025
Freiburg/Germany
Managing director, IGBCE District manager for the district of
Freiburg/Germany
Member of the Supervisory Board of Takeda GmbH,
Singen/Germany
since 1 August 2025
Member of the Administrative Board of the Freiburg Employ-
ment Agency

Petra Hartwig*

Member of the Supervisory Board from 22 June 2022 to
25 April 2025
Bad Zwesten/Germany
Trade Union Secretary of IGBCE, IGBCE District manager for the
district of Kassel/Germany
Member of the Supervisory Board Takeda GmbH,
Singen/Germany until 31 July 2025
Member of the Supervisory Board B. Braun Melsungen AG,
Melsungen/Germany

Frank Heßler*

Member of the Supervisory Board since 14 June 2017
Mannheim/Germany
Political Trade Union Secretary at IGBCE

Barbara Meister*

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

Prof Dr Klaus Peter Sedlbauer

Member of the Supervisory Board since 27 June 2007
Member of the Nomination Committee
Rottach-Egern/Germany
Chairholder at the Institute of Building Physics of the Technical
University Munich/Germany
Member of the Advisory Board agn Niederberghaus + Partner
GmbH, Ibbenbüren/Germany until August 2025

Dr Kirsten Stotmeister

Member of the Supervisory Board since 22 June 2022
Member of the Audit Committee
Member of the Finance Committee
Member of the Nomination Committee
Lauchringen/Germany
Family Office Head of Finances/Treasury

OTS Vermögensverwaltungs GmbH, Stühlingen/Germany
Member of the Supervisory Board of STO Management SE,
Stühlingen/Germany

Rolf Wöhrle

Member of the Supervisory Board since 19 June 2024
Chairperson of the Audit Committee since 19 June 2024
Bad Dürkheim/Germany
Board Member
Member of the Supervisory Board of STO Management SE,
Stühlingen/Germany
Member of the Supervisory Board of Nexus AG,
Donaueschingen/Germany
until 22 May 2025

**Members of the Supervisory Board of
STO Management SE in the 2025 financial year
(personally liable partner of Sto SE & Co. KGaA):****Jochen Stotmeister**

Chairperson of the Supervisory Board
Grafenhausen/Germany

Peter Zürn

Deputy Chairperson of the Supervisory Board
Bretzfeld-Weißenburg/Germany

Maria H. Andersson

Munich/Germany

Gerd Stotmeister

Allensbach/Germany

Dr Kirsten Stotmeister

Lauchringen/Germany

Rolf Wöhrle

Bad Dürkheim/Germany

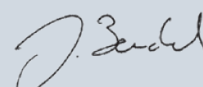
Stühlingen/Germany, 8 April 2026

Sto SE & Co. KGaA

represented by STO Management SE
Executive Board



Rainer Hüttenberger
(Chief Executive Officer)



Jost Joseph Bendel

Independent Auditor's Report

To Sto SE & Co. KGaA, Stühlingen/Germany

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit opinions

We have audited the consolidated financial statements of Sto SE & Co. KGaA, Stühlingen, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2025, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Sto SE & Co. KGaA for the financial year from 1 January to 31 December 2025. In accordance with German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion based on the findings of our audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2025, and of its financial performance for the financial year from 1 January to 31 December 2025, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- ① Impairment of goodwill and non-financial assets
- ② Completeness and valuation of provisions for warranty obligations arising from sales

Our presentation of these key audit matters has been structured in each case as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matters:

① Impairment of goodwill and non-financial assets

① In the Company's consolidated financial statements, goodwill totaling EUR 35.2 million is reported under the balance sheet item "Intangible assets." In addition, other intangible assets amounting to EUR 20.2 million, property, plant and equipment amounting to EUR 296.4 million, and right-of-use assets amounting to EUR 104.1 million are reported. The Company tests goodwill for impairment once a year or when there are indications of impairment to determine any potential impairment loss. The other intangible assets, property, plant and equipment, and right-of-use assets (the "non-financial assets") are also subjected to impairment tests when there are indications of impairment. The impairment test is performed at the level of the cash-generating units to which the respective goodwill or non-financial assets are allocated. As part of the impairment test, the carrying amount of the respective cash-generating units, including goodwill or non-financial assets, is compared with the corresponding recoverable amount. The recoverable amount is generally determined based on the value in use. The valuation is normally based on the present value of future cash flows from the respective cash-generating units, which, with three exceptions, correspond to the legal units. Present values are calculated using discounted cash flow models. For this purpose, the Group's 5-year plan forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the respective cash-generating units. As a result of the impairment test, even after taking into account the fair value less costs to sell, there were impairments of goodwill totaling EUR 1.9 million, while no impairment was identified for non-financial assets.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cashflows from the respective cash-generating units, the discount rate used, the rate of growth, the fair values less costs of disposal and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

② As part of our audit, with the assistance of internal valuation specialists, we assessed the methodology used for the purposes of performing the impairment test, among other things. We reviewed the segregation between the cash-generating units. After matching the future cash flows used for the calculation against the 5-year plan of the Group, we assessed the appropriateness of the calculation. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the entity value calculated in this way, we focused our testing

in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. Furthermore, we critically examined the determinable fair values less costs of disposal of the individual assets. Finally, we assessed whether the values thus determined were accurately compared with the corresponding carrying amounts of the respective cash-generating units in order to determine any impairment.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

③ The Company's disclosures on impairment testing on goodwill and on non-financial assets are contained in Section 6 "Presentation of the major accounting and valuation policies" subsections "Intangible Assets", "Property, plant and equipment", "Leases" and "Estimates and assumptions by Management", in the section "Notes on the consolidated statement of the financial position", subsection (13) "Intangible Assets", subsection (14) "Property, plant and equipment", subsection (15) "Rights of use", and in the section "Notes on the statement of profit and loss", subsection (8) "Depreciation/amortisation" of the Notes to the Consolidated Financial Statements.

② Completeness and valuation of provisions for warranty obligations arising from sales

① The Company's consolidated financial statements include, among other items, provisions for warranty obligations from sales totaling € EUR 34.0 million under the balance sheet items "Non-current other provisions" and "Current other provisions." These obligations primarily relate to warranty obligations from the sale of products. A provision for warranty obligations is recognized if an obligation has arisen legally or economically by the balance sheet date and if, in addition, a claim under the obligation is more likely than not to occur. Warranty obligations are calculated on the basis of losses to date, estimated future losses and on the basis of past experience. In addition, assumptions must be made about the nature and extent of future warranty claims. These assumptions are based on qualified estimates, some of which are taken into account by external experts. This applies particularly to the three most significant warranty cases, for which a total amount of EUR 20.4 million is included in the reported warranty provisions. This is offset by insurance reimbursement claims totalling EUR 1.3 million for one of the most significant warranty cases included in "other current assets".

We consider this matter to be of particular significance in the context of our audit since the recognition and valuation of this item – which is material in terms of amount – is to a large extent based on estimates and assumptions made by the Company's executive directors.

- ② With the knowledge that estimated values result in an increased risk of accounting misstatements and that the valuation decisions made by the executive directors have a direct and significant effect on consolidated net profit/loss, we assessed the methods applied by the Company and the assumptions made by the executive directors as well as the appropriateness of the carrying amounts, including by comparing these figures with historical data and using the measurement bases presented to us. We evaluated the design of the groupwide controls established by the Company for the purpose of calculating and recording warranty provisions. On that basis, we carried out additional analytical audit procedures and tests of details relating to the completeness and valuation of the warranty provisions. In this regard, we have performed tests of details in relation to the most significant warranty claims included in the warranty provisions. Among other things, we also reconciled the data on which the calculation of the settlement amount was based with the underlying documentation. Therewith, we assessed the results of the Company's calculations of the amount of the reserves with reference to the applicable legal requirements.

We were able to satisfy ourselves that the estimates and assumptions of the executive directors on the basis of which a warranty obligation provision arising in connection with the sales business were recognised and measured were sufficiently documented and substantiated.

- ③ The Company's disclosures on the provisions for warranty obligations from the sales business are included in section 6 "Presentation of the major accounting and valuation policies", subsections "Other provisions" and "Estimates and assumptions by Management", and in the section "Notes on the consolidated statement of the financial position", subsection 25 "Non-current and current other provisions" of the notes to the consolidated financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the non-financial statement to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB included in section "F. Sustainability Statement" of the group management report
- the section "D. Risks and Opportunities report", subsection "Effectiveness Statement Internal Control System and Risk Management System" of the group management report

The other information comprises further

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon. In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the

related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file STO_SE_KA+KLB_ESEF-2025-12-31-1de.xbri and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 18 June 2025. We were engaged by the supervisory board on 21 October 2025. We have been the group auditor of the Sto SE & Co. KGaA, Stühlingen, without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Denis Etzel.

Stuttgart, 13 April 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Denis Etzel	sgd. Marco Fortenbacher
Wirtschaftsprüfer	Wirtschaftsprüfer
[German public auditor]	[German public auditor]

Independent Auditor's Limited Assurance Report

Assurance report of the independent german public auditor on a limited assurance engagement in relation to the group sustainability statement

To Sto SE & Co. KGaA, Stühlingen

Assurance Conclusion

We have conducted a limited assurance engagement on the group sustainability statement of Sto SE & Co. KGaA, Stühlingen, (hereinafter the „Company“) included in section „Sustainability Report“ of the group management report for the financial year from 1 January to 31 December 2025 (hereinafter the „Group Sustainability Statement“). The Group Sustainability Statement has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 315b to 315c HGB [Handelsgesetzbuch: German Commercial Code] to prepare a group non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a group non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Statement (hereinafter the „materiality assessment“) is not, in all material respects, in accordance with the description set out in section „IRO-1 Description of the process for the identification and assessment of material impacts, risks and opportunities“ of the Group Sustainability Statement, or
- that the disclosures set out in section „EX-Taxonomie-Reporting of the Sto-Group“ of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

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

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

Our responsibilities under ISAE 3000 (Revised) are further described in the „German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement“ section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Statement

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

Inherent Limitations in the Preparation of the Group Sustainability Statement

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms in section “BP-2 Disclosures in relation to specific circumstances” of the Group Sustainability Statement. The executive directors are responsible for the defensibility of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

German Public Auditor’s Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

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

- obtain an understanding of the process to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as

assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.

- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

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

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Statement, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.
- performed site visits.
- considered the presentation of the information in the Group Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Stuttgart, 13 April 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Denis Etzel	sgd. Marco Fortenbacher
Wirtschaftsprüfer	Wirtschaftsprüfer
[German public auditor]	[German public auditor]

Responsibility statement by the legal representatives

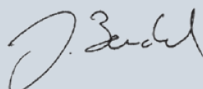
To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Stühlingen/Germany, 8 April 2026

Sto SE & Co. KGaA represented by STO Management SE
Executive Board



Rainer Hüttenberger
(Chief Executive Officer)



Jost Joseph Bendel

Financial calendar 2026

Electronic publication of the 2025 annual financial statements

30 April 2026

Interim report within the first half of 2026

8 May 2026

Annual General Meeting 2026

18 June 2026

Report on the first half of 2026

31 August 2026

Interim report within the second half of 2026

19 November 2026

Electronic publication of the 2026 annual financial statements

30 April 2027

The annual financial statement of Sto SE & Co. KGaA (German Commercial Code, HGB) is available in electronic form at the website of the companies register www.unternehmensregister.de. In addition, it is published on the website www.sto.de or may be requested in writing by post:

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This report contains forward-looking statements which are based on Management's current assumptions and estimates concerning future developments. Such statements are subject to risks and uncertainties which Sto cannot control or estimate precisely. If any uncertainty arises or the assumptions on which these statements are based prove to be incorrect, actual results may differ significantly from these statements. Sto is under no obligation to update forward-looking statements to incorporate any events which come to light after the publication of this report.

Publisher's details

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